

FINANCIAL TIMES

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WEEKEND SEPTEMBER 3/SEPTEMBER 4 1994

Balladur pledge on Renault as profits rise 125%

Half-year profits at French car group Renault forged ahead by 125 per cent to FF1.7bn (S200m), due largely to financial gains. Prime minister Edouard Balladur confirmed that the state would keep a majority stake in the vehicle group after any privatisation, and hinted he would like to see back under French control the 20 per cent of Renault owned by Sweden's Volvo. Page 22 and Lex

More rail strikes planned: The RMT signal workers' union called two more strikes. A 48-hour stoppage will run on September 14-15 and a 24-hour strike on September 23. They will follow a 24-hour strike already called for next Thursday. Page 5

Roche: Swiss health products group, made a first-half net income of SFr1.6bn (£780m) - the first time it has reported interim figures. Roche recently paid \$5.3bn for US drugs company Syntex. Page 9

Schroders: The UK-based merchant bank disclosed interim pre-tax profits up 7.6 per cent at £103.2m and said it wanted to remain independent of UK securities brokers. Page 8; Lex, Page 22

House price market 'fragile': UK house prices fell by 0.7 per cent in August, according to Halifax Building Society. The country's biggest mortgage lender warned that speculation about possible interest rate rises could damage an already fragile housing market. Page 5; Bottom line, Weekend Page II

FT-SE 100 Index

Hourly movements	3,260
3,270	3,280
3,290	3,300
3,310	3,320
3,330	3,340
3,350	3,360
3,370	3,380
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3,710	3,720
3,730	3,740
3,750	3,760
3,770	3,780
3,790	3,800
3,810	3,820
3,830	3,840
3,850	3,860
3,870	3,880
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3,970	3,980
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By Lionel Barber in Brussels

A constitutional debate has broken out in Europe on the future pace of political and economic integration. The wrangling could prove as divisive as that over the Maastricht treaty. Concern was expressed at the implications for the community's union by countries excluded from a "hard core" of five nations - as defined by leaders in France and Germany - in a multi-speed European Union. Senior officials from Italy and Spain, both of which would be outside the "inner circle", expressed fears at the prospect of being left behind in the EU. "All countries are happy with a hard core, as long as they are in it," said a senior Spanish official. In Brussels, a senior EU official said that plans for a multi-speed

speeds, then you might as well talk about Europe at 16 speeds," said Mr Domenico Cimino, the country's minister for European affairs.

The constitutional debate on the future of Europe has been in suspension after the arduous ratification last year of the Maastricht treaty, which struck a balance between community-wide obligations and looser co-operation among governments.

Many observers thought that truce would hold until the inter-governmental conference to review the Maastricht treaty opened in 1996.

But the debate has broken out

Kohl - would be configured around only five of the original founding members: France and Germany, as well as Belgium, Luxembourg and the Netherlands, Italy, a founder member, as well as Britain and Spain would be excluded in the initial phase.

The paper appeared one day after Mr Balladur sketched his vision of a three-speed Europe with France and Germany at the core. A second concentric circle would include weaker or less integrationist states such as the UK, while an outer group would take in the nations of eastern Europe with Paris's interest in preserving its political influence in a strong Union.

In Germany the Christian Democrats, leaders of the ruling coalition, have proposed a top policy document proposing a future flexible Europe with expanded membership to the east, built around the core Franco-German alliance.

Additional reporting by Michael Lindemann in Bonn, Roland Rudd in London and Andrew Hill in Milan

Thyssen steps in to save Three Graces for Britain

By Annalena McAfee in London

An eleventh-hour intervention by Baron Hans Heinrich Thyssen-Bornemisza, the Dutch-born industrialist and art collector, has saved the Three Graces sculpture for Britain.

Speaking from his summer house on the Spanish coast, the 73-year-old baron pledged the final £800,000 needed to save Antonio Canova's marble sculpture of Jupiter's daughters from export to the Getty Museum in Malibu.

"I thought it was idiotic to let this thing go to California for a little amount of money so I decided to help," the baron said. "It's an important neoclassical piece and it would be a big shame for all of Europe if it

NEWS: INTERNATIONAL

Wall Street's whizkids seek solace in poetry

Bronwen Maddox on why the high rollers of the 1980s are going back to college for 'creative' studies

From Wall Street to Walt Whitman: the high rollers of the 1980s financial boom are now beat-ing a path back to college to sign up for courses in poetry and literature. Columbia University in New York City, opening its doors for the start of the autumn term, has found that many of its new intake of postgraduates are fleeing the worlds of commerce, law and finance.

According to Mr Grafton Nunes, associate dean of Columbia's School of Arts, which runs courses on creative writing, visual arts and film, many of those stepping aside from lucrative careers have concluded that "my soul is dying — I'm good at this but I am not fulfilled". Then, they ask themselves: "dare I dream to do something different?"

Columbia, like many of the most prestigious US universities, has seen interest in postgraduate courses such as arts, politics and history rise steadily since the second half of the 1980s. Applications to its Graduate School of Arts and Sciences, which encompasses art history, his-

tory, literature and political science, were only 3,400 in 1986, the year before the Wall Street crash, but reached 4,300 in 1990, and 6,200 in 1994.

This year, Columbia has received 10 applications for every postgraduate place in painting and sculpture, even though it had not formally advertised the course. For the first time in years it has filled the 15 places for poetry writing.

Some of the demand comes from undergraduates, many of whom are prolonging academic life through postgraduate study rather than enter the fierce competition for jobs outside. But recession has also given those in established careers ranging from stockbroking to psychiatry a new reason to go back to school, faculty members say.

Ms Suzanne Fox, administrator of the creative writing course, and a former Wall Street high flyer, says that "the glory days of the mid-1980s have gone. People now feel that there is no practical use to climbing the corporate ladder."

Faculty members talk of a "glut of lawyers" on the job market.

Lowered expectations of salaries and promotion mean that people are more prepared to make the financial sacrifice of returning to academia. Ms Fox says, although the decision is hardly made lightly, as completing a postgraduate course can cost some \$35,000.

Part of the rise in applications, admissions officers suggest, is that the current generation of parents, who themselves were at college in the 1960s, are willing to help pay for arts courses, where parents a decade ago would have steered their offspring towards law or medicine. "Being a doctor does not have same aura it used to have," says Mr Nunes.

But what happens when these graduates leave? According to Ms Fox, many should consider returning to their previous professions. "Wise people are not looking for vocational change," she says. "They understand there are no day jobs for painters or literary writers."

A few may succeed in staying in academia. Mr David Damrosch, Columbia's director of graduate studies of English literature, suggests that graduates have their eyes on an improvement in the academic job market in the late 1990s, when a wave of retirements is expected.

For writers and theatre producers, however, the booting studios of Hollywood offer the chance to cash in their new learning for considerable material rewards. According to Mr Nunes, himself a former film producer: "Television has become such an important part of our communication that there has been an explosion of those jobs."

Technology is now capable of delivering hundreds of television channels to each house, and the US media industry, currently convulsed in multi-billion dollar takeover bids, is scrambling for more programmes to show. Would-be poets may find that lessons learned on Wall Street have not, then, been entirely wasted.

Russia plans big shake-up of tax system

By John Lloyd in Moscow

Russia yesterday announced a new tax structure to try to beat massive tax evasion, and maintain government revenue in the face of falling production.

Mr Sergei Aleksashenko, deputy finance minister, said tax revenues to July had been half the forecast amount, and were expected to reach less than 45 per cent of forecasts for the year as a whole.

At the same time, a report on Russia's short-term financial outlook, by Mr Sergei Dubinin, the acting finance minister, showed that government expenditure was slashed in the first half of the year.

Spending on law enforcement agencies was cut by 8 per cent, defence spending by 25 per cent, capital investment by 35 per cent and support for the northern (Arctic) territories cut nearly half.

Mr Aleksashenko said tax evasion, numerous *ad hoc* tax privileges and falling industrial production had all contributed to the tax shortfall.

Gross national product had

stabilised, because of the sharp rise in the output of the services sector — which has seen services output outrun industrial production.

But industrial production was running at 76 per cent of last year's levels for the first six months of the year, he said, and the bulk of tax revenue has traditionally come from industry.

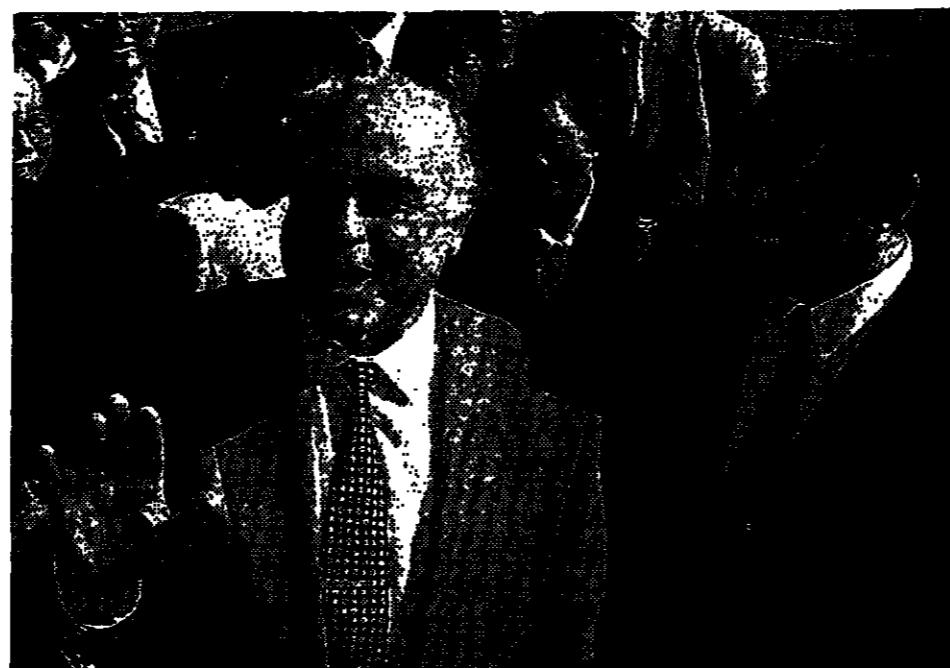
In an effort to raise tax income, the government intends to raise those taxes which are more effectively governed, and ease the tax burden on industry.

The finance ministry proposes to cut profit tax from 33 to 34 per cent and VAT on staple items from 20 to 10 per cent.

It also plans to raise the top rate of income tax on "super incomes" from 30 to 40 per cent, introduce a new federal income tax of 5 per cent and raise the property tax paid by businesses from 2 to 3 per cent.

These measures will be put to the parliament in the next two weeks.

However, almost a third of



Russian prime minister Victor Chernomyrdin, left, with China's president Jiang Zemin who arrived in Moscow yesterday for a four-day summit expected to strengthen ties with Russia

the shortfall was due to the much more rapid fall in inflation than the government had forecast at the beginning of the year, said Mr Aleksashenko.

Nonetheless, the government plans to continue its squeeze on inflation next year, said Mr Dubinin's report. It aims to cut inflation to 5 per cent a month by the middle of 1995 and to 2.5 — 3 per cent a month by the year end — even at the cost of a forecast 7 per cent fall in next year's GNP. The report pre-

dicts that the fall in output should stabilise by the end of 1995, however, and that a "significant rise in private domestic and foreign investment in the Russian economy should take place".

The government also announced yesterday that new bank regulations had been put in place this week by Mr Victor Gerashchenko, the central bank chairman, which would allow the bank to assign an administrator to commercial

banks, or other financial institutions, deemed to be trading illegally or in a "hopeless" financial situation.

The new measures follow widespread anxiety over the lack of effective regulation of financial institutions following the collapse of the MMM financial empire — built up through the promotion of high yielding "shares" apparently backed only by continued new purchases.

Parliament must resolve crisis, says premier

Bulgaria's government offers its resignation

By Anthony Robinson

Bulgaria's non-party "government of technocrats", which has ruled since the end of 1992, said yesterday that narrowly won a no-confidence vote in May. There was widespread reluctance to create a political vacuum when Bulgaria was in the midst of complex foreign debt negotiations.

But agreement was reached with London Club commercial

banks on June 30. The deal provided for a 47 per cent

reduction in Bulgaria's hard

currency debt of more than \$3bn. The agreement triggered a raft of IMF, World Bank and other loans required to finance the government's budget.

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BAe chief sees more mergers to counter US threat

FT
Conferences

The European aerospace industry was warned yesterday that it will have to reduce its costs by about 40 per cent over the next few years and close down a significant number of surplus facilities to remain competitive, reports Paul Betts, Aerospace Correspondent.

The warning, ahead of next week's Farnborough Air Show, came from Mr Dick Evans, chairman of British Aerospace, at a Financial Times aerospace conference.

Mr Evans said more consolidation was inevitable in the European aerospace industry especially in the wake of the shake-up taking place in the US defence sector.

In the commercial aircraft market, Mr Evans said, the European industry would eventually be polarised around the European Airbus consortium in the large aircraft sector and another consortium in the smaller regional aircraft market.

He also believed there would ultimately be only one significant defence producer in Europe, although consolidation in the sector would hinge on government policies because of their huge procurement power.

"We need a clear definition of strategy from governments if we are to go down the inevitable road towards greater consolidation," he told the conference.

Mr Evans said that in the regional aircraft market the most rational outcome would be a combination of UK, German and French aircraft activities into a grouping similar to the Airbus consortium.

Although BAe has held extensive discussions over recent months with both Aérospatiale of France and Deutsche Aerospace, the German company controlling the Dutch Fokker regional aircraft manufacturer, the talks have so far failed to produce tangible results.

Speculation had also been rife of a possible combination of BAe and the UK General Electric Company (GEC) to create a large UK defence contractor in the wake of the Lockheed-Martin/Marietta defence merger in the US. However, it is understood there are no talks at this stage between BAe and GEC over the possibility of the companies forging a strategic link.

The difficulties of forging cross-border defence mergers in Europe have also been highlighted by the slow pace of negotiations between BAe and Matra of France to combine their respective guided weapons activities. The negotiations have been dragging on for two years.

Mr Arthur Zussman, president of Hughes Europe, told the conference that if defence companies wanted to survive, they had to "do something spectacular". He said industry experts were forecasting that up to 80 per cent of the top 100 defence companies could disappear by the turn of the century.

Although air travel was picking up, airlines were beginning to make money again, Mr Richard Turner, Rolls-Royce's marketing director and president of the Society of British Aerospace Companies, said the industry was not viable as currently structured.

Mr Robert Dryden, executive vice-president of Boeing, the world's biggest aircraft manufacturer, said the company had committed itself to reducing its production cycle times by more than half in three years.

"The target is to have a six-month cycle time by the end of 1996 for the Boeing 737 and 757, and eight months for the 767 and 747 and eventually the new 777."

Court ruling exposes Taiwan's financial flaws

Executives at Tatung found guilty of running an illegal deposit scheme

Senior executives at Tatung, a leading listed Taiwanese electronics company, are to appeal against a court ruling which found them guilty of violating domestic banking laws by taking deposits to finance expansion, writes Laura Tyson in Kaohsiung, Taiwan.

The company's chairman, Mr Lin Ting-sheng, and his finance manager, Mr Liu Hong-tsai, are unhappy with the verdict in a case that reveals both the shortcomings of Taiwan's state-dominated banking system and the country's historically less-than-rigid enforcement and observance of law.

A Taipei district court on Thursday handed down suspended 16-

month prison sentences to the two executives for running an illegal deposit scheme through the company. According to 1969 revisions to the Banking Law, non-bank entities are not permitted to take deposits, undertake trustee business or offer remittance services. The law stipulates a jail sentence of between one and seven years.

The two executives, who were charged last December following a three-year investigation, were convicted of illegally accepting deposits from company employees, shareholders and nearby residents. Tatung col-

lected nearly \$400m (£258m) since 1987.

Observers said the verdict was intended to "kill the chicken to warn the monkey" - that is, to send a strong signal to Taiwan companies regarding a practice which is widespread and has been largely tolerated by the authorities.

Taiwan's Central Bank of China even includes in its regularly published statistics charts showing prevailing interest rates on loans and deposits in the "unorganised financial markets".

"Tatung was singled out not

because it's the only company which does this, but because it was so brazen," one observer said. "Most companies just take deposits from their employees; this is commonly seen as a type of staff benefit. But Tatung was accepting deposits from the public as well, and everybody knew they were doing this."

Mr Lin and Mr Liu contend that they were forced to seek financing from deposits because the company could not raise enough money from banks to satisfy its plans for expansion. Taiwan banks generally lend only on the basis of full collateral,

partly because individual loan officers may be held personally liable in the event of non-payment.

They also plan to argue in their defence that the scheme offered a return which was fair for both the company and the depositors. While employee deposit schemes often yield 2 per cent per month, Tatung offered an average annual interest rate of 8.5 per cent.

Moreover, all of the 13,000-odd depositors participated in the scheme on a voluntary basis, they said. Interest payments amounted to some NT\$2bn (£49.4m) a year.

Taiwan's underground financial markets have diminished in scale since their heyday following a crackdown in the late 1980s, but informal financing schemes and various other murky related activities remain.

In the 1980s, dozens of underground finance companies sprang up and attracted deposits by offering interest rates as high as 8 per cent a month. The biggest underground bank, the Hung Yuan group, declared bankruptcy in 1991 after illegally attracting some \$3.6bn from depositors.

Tatung's share price closed at NT\$86.5 yesterday against NT\$88 on Thursday.

Violence tips Algiers toward compromise

Francis Ghiles on the political and economic turmoil which followed cancelled elections

The Algerian government is ready to hold talks with Islamic opposition groups, but only if the violence sweeping the country is halted. "If we have to talk with the Islamic Salvation Front (FIS), we will. The essential pre-condition is that the FIS must cease all violence. What is also essential is that the Algerian people take their destiny in their own hands," said Mr Mokdad Sifi, Algerian prime minister, in an interview.

The premier claimed the government was not responsible for the country's political and economic turmoil, or the causes which led to it.

Economic improvements and a more hopeful political future are proving elusive in the climate of insecurity which has characterised Algeria since the FIS was denied victory by the cancellation of the 1992 election results which had seemed certain to sweep the Islamic party to power. Worsening violence is causing ever-greater damage to the nation's infrastructure, the death toll is rising remorselessly, while the benefits of a \$1bn (£683m) loan agreement signed with the International Monetary Fund in April may only be felt slowly.

The cost of damage to the country's infrastructure over the past two years is estimated at more than \$1.3bn. Schools and universities have been increasingly targeted by the more extreme members of the Islamic Armed Group (GIA); more than 400 schools have been set on fire in the past 12 months.

Two weeks ago the medical faculty in the eastern provincial capital of Constantine was reduced to ashes, and fierce fighting in the city left scores dead. Forest fires this summer, often started by the security forces to flush out Islamic groups, have caused extensive damage, especially to olive groves in eastern Algeria. No area of the country today is safe, violence having spread this summer to the Berber heartland of Kabylie.

The cost in lives, now put at about 11,000, has also been growing. Not only are the fundamentalists pitted against the army-backed government, but confrontation is growing between the GIA, which is active around Algiers, and supporters of the Islamic Salvation Army (AIS) which overthrew the GIA.

The GIA has sought to sabotage tentative steps towards a dialogue between General Lamine Zeroual, the head of state, and some senior FIS leaders. It has also threatened to "burn or dynamite" all schools and universities which open their doors this autumn, and said "severe sanctions" would be taken against students and teachers who attended classes.

The deadly competition between the FIS and the GIA is leading to violent vendettas, and denunciations by elders of the FIS, such as Mr Abdelfaki Sahraoui, who claim the GIA is acting as an accomplice to the military.

The GIA, which has claimed



General Lamine Zeroual (right), head of state, and Mr Mokdad Sifi, Algerian prime minister, at a political meeting in Algiers

responsibility for the deaths of most of the 60 foreigners killed during the past 12 months, has repeatedly refused to contemplate negotiations with an "unions state".

Gen Zeroual says he wants to start a dialogue, but seems unwilling or unable to release the leaders of the FIS held since June 1991.

The FIS, which is finding it difficult to control its supporters, says it would like to begin talks but not until its leaders are released. It has condemned the killing of foreigners, the burning of schools and the threats to teachers and students.

Against this background, most of the more promising conditions that Mr Sifi and his government are seeking to create are most likely to stem from the IMF agreement and the subsequent rescheduling of part of Algeria's \$26.7bn foreign debt, thus reducing the cost of servicing this year from \$9.4bn to \$5.05bn. This should allow last year's 1.8 per cent decline in real gross domestic product to be reversed, and provide growth in 1994 of about 2 per cent.

Capital goods investment in industry should rise from \$7.95bn to just above \$9bn and help boost activity in myriad state and private companies which have been starved of imports over the past two years as the debt service ratio has risen to absorb 36.4 per cent of total exports in 1993.

Three factors explain why the quick benefits of the IMF agreements were supposed to bring materialisation only slowly. First, the shortage of foreign currency alone is not the root cause of Algeria's economic crisis. In the words of one senior diplomat: "Injecting cash into a semi-paralysed network of state companies will not turn them over into athletes overnight."

Second, in critical areas such as the severe lack of housing it is unrealistic, according to one

senior official, to expect more than 50,000 new units to be built this year, against the estimated requirement of some 1.2m units. Despite the fact that it takes, on average, eight years to complete an apartment block in Algiers, private builders remain hostile to importing pre-fabricated units. The increasing unwillingness of foreign governments and companies to send representatives to Algeria is also slowing decision-making in all fields.

Third, this year's severe drought has cut farming output and will force Algeria to import more than 90 per cent of its cereal requirements, compared with a 70-75 per cent average in better years.

Foreign embassies, meanwhile, are closing down or reducing their staff dramatically. The daring and precision of the GIA's attack on the French diplomatic compound at Ain Aïcha in early August, which cost the lives of three gendarmes and two consular officials, has sent shivers through the diplomatic community. Sweden, Holland and Denmark, Austria, Finland and Switzerland have now closed their embassies, albeit temporarily.

More than at any time since the suspension of elections it appears that only some form of compromise between the army and the FIS will avert a fully fledged civil war.

Second, in critical areas such as the severe lack of housing it is unrealistic, according to one

Uruguay Round ratified so far by only 26 of 125 signatories

Gatt chief warns on accord delay

By Frances Williams in Geneva

Mr Peter Sutherland, director-general of the General Agreement on Tariffs and Trade, yesterday launched a strong appeal to the leading trading powers to ratify the Uruguay Round global trade accords without delay. The accords, including the establishment of a World Trade Organisation, are due to take effect on January 1 next year.

Addressing a business audience in Italy, he said the biggest trade-liberalising package in history - worth \$755bn (£487bn) a year in extra merchandise trade - was "little more than an uncashed cheque" until ratified and

implemented. "Any delay in the entry into force of the WTO and the agreements it encompasses will cost real people everywhere real money," he said.

Only 26 of the 125 countries taking part have so far ratified or otherwise approved the Uruguay Round agreements signed in Marrakesh in April. Most are waiting for ratification by the three biggest traders - the US, the European Union and Japan - whose participation is essential.

While Mr Sutherland expressed concern over procedural delays in the EU and Japan, he is most alarmed at the confused situation in the US. The Clinton administration

is still wrangling with Congress over details of the implementing legislation and there is a strong current of congressional opposition to ratification this year.

The Gatt chief said the window of opportunity, from the time Congress resumes on September 12 to early October when it adjourns ahead of mid-term elections, was a narrow one. "If it is missed, the risks of a long delay are serious."

In addition to intensifying personal contacts with key participants, Mr Sutherland plans a multilateral review on implementation which would enable the September 22 meeting of the WTO preparatory committee to identify recalcitrants.



Sutherland: 'uncashed cheque'

China quits Korea war commission

By John Burton in Seoul

China said yesterday that it would withdraw from the Korean war armistice commission, in an apparent show of support for North Korea.

In April North Korea withdrew from the body that supervises the Korean war truce in an attempt to persuade the US to sign a formal peace treaty ending the 1950-53 conflict, which could eventually lead to the US removing its troops from South Korea.

Pyongyang is likely to press for the peace treaty if diplomatic relations are established with Washington as part of a wider deal to end the international dispute over North Korea's nuclear programme.

The withdrawal of North Korea's closest ally is largely symbolic as the armistice commission has not met since 1991, when North Korea began boycotting the meetings in protest over the appointment of a South Korean officer as head of the United Nations side.

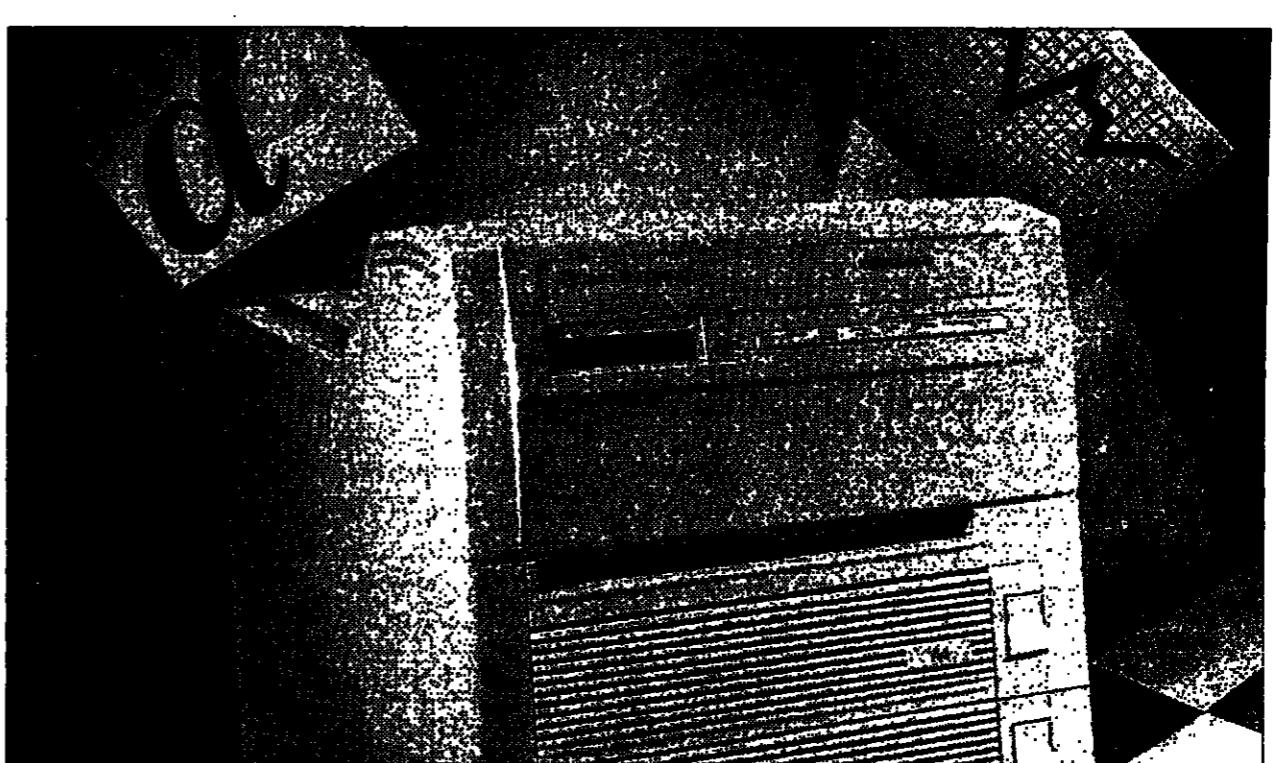
China made its announcement following talks with Mr Song Ho-kyong, the North Korean vice-foreign minister and the first envoy from Pyongyang to visit Beijing since the death of President Kim Il-sung in July.

Beijing's action is causing concern in Seoul, already worried about being left out of North Korean-US talks on the nuclear issue and feeling increasingly isolated from accelerated diplomatic negotiations

concerning the future of the Korean peninsula.

The Chinese announcement would appear to endorse North Korea's proposal for a peace treaty with the US to replace the armistice, while also excluding South Korea. Pyongyang does not recognise South Korea as a party to a future peace treaty since Seoul refused to sign the 1953 armistice agreement, which was concluded between North Korea, China and UN-led UN forces.

Pyongyang cited these grounds for its boycott of the truce meetings. Meetings to supervise the armistice are now conducted on a lower level between UN and North Korea military officials.



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TEXAS
INSTRUMENTS

Japanese surplus 'nearing peak'

By William Dawkins in Tokyo

Strong Japanese exports and only moderate growth in domestic demand for foreign goods produced 0.9 per cent rise in Japan's current account surplus in July.

The gap widened to \$11.74bn (£7.5bn), a record for the month, from \$11.63bn in July last year, roughly in line with market forecasts. Finance ministry officials interpreted the result as further evidence that the politically touchy surplus had started to peak as Japan and the US approach another

critical deadline - at the end of the month - in trade talks.

Adjusting for the rise of the yen against the dollar over the past year, the current account gap shrank by 7.7 per cent when measured in the Japanese currency. Stripping out sales of services, Japan's trade surplus rose 4.9 per cent to \$14.45bn, but fell 4.2 per cent in yen terms. Exports rose 6.6 per cent in dollar terms and imports were up 8.1 per cent against July 1993.

On average, import volumes had grown by 10 per cent since the turn of the year, reflecting

a gentle pick-up in domestic demand, an official said. Exports had declined in five of the past seven months in yen terms, he added.

The surprise in yesterday's figures was a sudden sharp rise in the outflow of long-term capital, to \$30.85bn in July from \$4.5bn in June. Mr Robert Feldman, chief economist at Salomon Brothers Asia, believes this is partly due to a surge in bonds issued overseas by Japanese companies, so that cash will return to Japanese hands rather than being recycled abroad.

NEWS: UK

Adams set to meet Irish PM

By Tim Coone, David Owen and George Graham

Sinn Féin may be poised to take another big step towards recognition as a fully legitimate democratic party with a meeting between Mr Gerry Adams and Mr Albert Reynolds, the Irish prime minister, within two weeks, Dublin officials indicated last night.

Word of the meeting – which would be the first ever between a Provisional Sinn Féin leader and an Irish premier – came as Mr Adams extended his list of demands by calling in Dublin for the withdrawal of British troops from nationalist areas.

In Washington senior members of the US Congress warned that no extra money was likely to be available this year to help smooth the way to peace in Northern Ireland.

But Mr Dick Spring, the Irish foreign minister, said after a meeting with President Bill Clinton in the holiday resort of Martha's Vineyard that he hoped "substantial" sums would be forthcoming.

As Downing Street continued to voice doubt about the permanency of the IRA ceasefire, republican leaders rejected the possibility of a violent reaction to the killing by loyalist paramilitaries of a Roman Catholic man on Thursday.

Mr Martin McGuinness, a member of Sinn Féin's governing executive, said it was "a total anathema to us that any one would consider taking any sort of retaliation for the deeds of a few people within the unionist community".

Politics
It is a total anathema to us that anyone would consider taking any sort of retaliation for the deeds of a few people within the unionist community'
Martin McGuinness
Sinn Féin executive member

Leahy, chairman of the Senate appropriations committee which controls overseas aid, said money to smooth the peace process was already in the pipeline for next year, in the form of the US's \$20m (£13.5m) contribution to the International Fund for Ireland.

Mr Clinton said the US was "prepared to take some steps to do whatever we can to help".

In London, Downing Street said Mr John Major would study the report he had demanded into the transfer on Thursday of four republican prisoners from the mainland to jails in Northern Ireland over the weekend.

Peace struggle, Page 6

Years of debate fuel compromise

Tim Coone on Sinn Féin negotiation and the development of its 'unarmed strategy'

The IRA's decision this week to call an end to its 25-year military campaign comes after almost four years' intense debate in the republican movement about how its aims might be achieved by an "unarmed strategy".

Sinn Féin, the political wing of the IRA, was given responsibility for developing that strategy in a resolution passed at its 1991 party conference.

As it has developed its strategy it has been overhauling its party structure and organisation. It has reorganised in the Irish Republic on a constituency basis rather than a county one – it was already organised on a constituency basis in the north.

In the north it has performed strongly since losing its one parliamentary seat – Belfast West – in the 1992 general election. In May's local elections it took 33.2 per cent of the vote in Belfast, the biggest share for any party. Across the province its vote rose 1.5 percentage points to 12.5 per cent, taking 51 council seats out of the 522 total.

In the European elections its support in Northern Ireland advanced by 1 percentage point to 10 per cent. In the June local elections in the republic this year Sinn Féin won a series of council seats in areas it had not contested before, finishing ahead of the conservative Progressive Democrats party.

The discussion document of the party's national executive – Towards a Lasting Peace in Ireland – unveiled at the 1992 annual conference, said a permanent peace "must involve at some future date the removal of British interference from the political equation in Ireland. There are onus on those who proclaim that the armed struggle is counter-productive to advance a credible alternative.

Mr Adams yesterday laid out what he saw as the next steps in the process: "The UK should lift the Sinn Féin broadcasting ban, as the



Tension eases: a British soldier on patrol in the Falls Road, west Belfast yesterday on the second day of the IRA ceasefire

partition a policy goal, as the document argued it must.

That fact is perhaps the most significant and surprising in the IRA ceasefire decision, and indicative of the distance it has gone in reassessing the value of continuing the "armed struggle". Mr Gerry Adams, the Sinn Féin president, emphasised at a press conference in Dublin yesterday that the party's goal remained "an end to British jurisdiction in Ireland and an end to partition".

In effect, the IRA and Sinn Féin have acknowledged publicly that continuation of the military struggle is not the way forward, and that an all-inclusive negotiation process involving compromise might lead to something less than a united Ireland.

Mr Adams yesterday laid out what he saw as the next steps in the process: "The UK should lift the Sinn Féin broadcasting ban, as the

Republic of Ireland did eight months ago.

• A monitoring procedure for the ceasefire should be established.

• The demilitarisation process should start immediately.

• Full protection should be provided for republicans who have been targeted by loyalists.

• All republican prisoners in the UK should be transferred to their home regions.

• Raids, searches and arrests in nationalist areas should stop.

• Closed border roads should be opened.

• "Political" prisoners should be released – Mr Adams said this included both republican and loyalist prisoners and the

small handful of British Army and RUC prisoners who have been charged with offences. He said this "might take time".

Dublin plans to set up its Forum for Peace and Reconciliation, which will involve Sinn Féin, by the end of October. A meeting between Mr Albert Reynolds, the Irish prime minister and Mr Adams is likely in the next two weeks.

Mr Tom Hardie, Sinn Féin's general secretary said: "The ceasefire has created a great momentum. I envisage a series of developments resulting from that. This could take as much as one, maybe two years. Each one of those may create a crisis but they will be dealt with and we will move on."

Peace bond' plan urged to boost aid

By Richard Waters

Mr Alan Hevesi, comptroller (treasurer) of New York city, has called for an issue of

northern and southern," he said.

The comptroller has used his position as a custodian of New York's public-employee retirement fund to justify his statements on Irish affairs. The fund has \$6bn (£4bn) invested in companies which have business interests in Northern Ireland.

Mr Hevesi said he wanted to encourage these companies to adopt employment practices worldwide which reflected the so-called McBride Principles adopted by New York. These are designed to give minorities improved access to jobs.

Pro-unionist MPs flex their muscles

By David Owen

For the moment they are mainly content to keep a watchful and suspicious eye on the progress of the UK-Irish peace initiative. But if events turn sour – as many of them fear they will – then misgivings could burst damagingly into the open.

The large pro-unionist contingent in Conservative ranks will continue to exert a strong influence over Mr John Major in the aftermath of this week's open-ended IRA ceasefire.

The need to ensure their tacit acceptance of the direction of government policy will be among the main factors shaping the prime minister's words and deeds in coming weeks.

Cleaners win claim after Lords ruling

Nine former cleaners at ICI Wilton on Teeside yesterday became the first beneficiaries of a House of Lords ruling that part-time workers are eligible for redundancy pay on the same basis as full-time employees.

The women, who lost their jobs last November, learned yesterday that their claim for redundancy pay two months ago had been successful. It is believed to be the first claim of its kind since the Lords decision in March.

The women, members of the Transport and General Workers' Union, were employed by Initial Contract Services.

The industrial tribunal at Newcastle ruled that workers should be paid redundancy money on a retrospective basis as the UK domestic law was not in line with EU legislation.

TGWU district officer Mr Tim Bush said: "We have proved the principle that part-time workers made redundant, who have completed more than two years' employment with a company before the House of Lords decision, can claim retrospective redundancy payments."

Before the Lords decision part-time workers had to work for five years before enjoying the rights gained by full-time employees after two years.

Mr Bush said the amounts due to the women would be worked out later.

Tory right

Many pro-unionists still hold profound reservations about the prospect of government officials holding bilateral talks with Sinn Féin representatives.

Earlier this week Mr Norman Lamont, the former chancellor, said in a pamphlet written before the ceasefire that the country "should be spared the sight of ministers of the Crown or their representatives sitting around the same table as men who until three months before were bombing our fellow countrymen".

In practice most Conservatives would probably fall into line once Mr James Molyneaux, the Ulster Unionist party leader, let it be known that he was satisfied that the cessation of IRA violence was for good.

Ms Lisel Biggs-Davison,

trustee of the Friends of the Union under whose imprimatur Mr Lamont's pamphlet appeared, said she would be "terribly reluctant" for the government to talk with Sinn Féin. "I want to know what will happen to the people who have carried out those terrible crimes," she said.

If pro-unionists do decide to make public their reservations about the course of events next month's Conservative party conference will provide the perfect opportunity.

Not only is there a debate on Northern Ireland, but a series of events is planned on the conference fringe. One pro-unionist said this week that Northern Ireland was destined to be "the big issue in Bournemouth".

Mr Lamont is expected to return to the subject of Ulster in a newspaper article this weekend.

Ms Lisel Biggs-Davison,

Independent girls' schools dominate exam results

By John Authors

Girls' schools dominate this year's performance in GCSE examinations by independent schools.

When schools were ranked by the proportion of GCSEs – the main examinations for 16-year-olds in England and Wales – resulting in a pass at A* to C (equivalent to an old A-level pass), 13 of the top 20 schools were for girls only.

When ranked according to their proportion of A-grades, girls' schools were similarly dominant, accounting for 17 of the top 20.

A total of 47.7 per cent of entries in girls' schools scored an A grade, compared with 39.6 per cent for independent schools as a whole.

The former Conservative party deputy chairman told Department of Trade and Industry inspectors investigating allegations of insider dealing that he placed the share orders on behalf of a Mr Broos Sain.

Before the Lords decision part-time workers had to work for five years before enjoying the rights gained by full-time employees after two years.

Mr Bush said the amounts due to the women would be worked out later.

They enjoyed even greater success in the starred-A grade, introduced this year to recognise outstanding achievement. It was awarded to 2.9 per cent of all GCSE entries nationally, including the state sector, but to 9.9 per cent of entries from independent schools at Withington Girls' School in Manchester. 44.5 per cent of GCSEs entered resulted in a starred-A.

Mrs Margaret Kenyon, head-mistress of Withington Girls' and president of the Girls' Schools Association, said: "Girls' flourish in girls' schools."

Overall, the disparity between GCSE performance in independent and state sector schools appears to have widened since last year. In private schools, according to figures

provided by the Independent Schools Information Service, 39.6 per cent of entries were graded A or better, up from 37.8 per cent last year. The figure for all schools is 13.2 per cent, up from 12.7 per cent last year.

Independent school pupils enjoyed more success in gaining at least a C-grade, with 89.4 per cent of entries achieving this level, compared to 83.1 per cent for the nation as a whole. Girls also achieved an average of 9.1 subjects each, rebutting allegations that schools were stopping pupils from entering in their weaker subjects to boost their league table standings.

Mr Vivian Anthony, secretary of the Headmasters' Con-

ference, which represents the most prestigious independent schools, said the results showed that girls performed much better academically than boys at the age of 16.

He suggested, however, that the figures did not prove that girls performed better in a single-sex environment. He pointed out that boys' performance was roughly equal to that of girls at A-level, which

most pupils in the independent sector regard as more important than GCSEs because they are used to determine university places.

Girls number one, Page 7

Signal workers call more strikes

Three more days of rail signal workers' strikes were called yesterday as their union leaders reacted angrily to reports of Railtrack plans to sack workers, David Goodhart writes.

The RMT transport union said a 48-hour stoppage would cover the whole of Tuesday and Wednesday September 14 and 15 and a 24-hour strike the whole of Friday September 16. They will follow a 24-hour strike called for next Thursday.

Mr David Armstrong, human resources director of Railtrack, said he was appalled at the announcement of more stoppages. He said: "Every striker has lost over £1,000. Railtrack's losses stand at over £100m. And for what? The RMT would rather indulge in a futile show of strength than negotiate a package that has been on the table since June 28 and would benefit every signal worker."

Reports of the Railtrack plan to dismiss striking workers and offer them new contracts drew an angry response from Mr Jimmy Knapp, RMT general secretary. He insisted that a Railtrack policy of hoping to scare people back to work was "doomed to failure".

He said: "Railtrack should abandon their macho management stance and get back to genuine negotiations on RMT's claim. That is the only way this dispute is going to be resolved."

Railtrack said that more than 53 per cent of trains ran during this week's 48-hour strike, the highest number so far.

London Tube increases offer

The threat of possible London Underground strikes to coincide with signal workers' stoppages receded last night when the Tube's management said it was prepared to increase its staff's cost of living increase from 2 per cent to 2.5 per cent.

The offer was conditional on Aslef, the train drivers' union, and the RMT transport union withdrawing their ballots on industrial action.

The conciliation service Acas said the unions had agreed to respond by September 14.

AA Insurance to shed 550 jobs

AA Insurance yesterday announced the loss of up to 550 jobs in Cheadle, Cheshire. It said that processing work was being transferred from Cheadle to Newcastle and Cardiff.

Mr Sean Keating, national secretary of the GMB general union which represents most of the staff, said: "This will be a devastating blow but we hope that some of the staff might be redeployed."

He said that insurance industry restructuring driven by the growth of direct sales was the reason for the redundancies.

The company said that a reassessment of AA insurance was announced in May to ensure that the company retained its position as the "premier personal-lines intermediary in the UK".

Some domestic coal prices frozen

British Coal yesterday announced a price freeze on some domestic fuels, including anthracite, a smokeless fuel used for household central heating. Prices for "selected housecoals", the traditional fuel for open fires, will rise by an average of 0.6 per cent.

Reserves fall \$27m

The UK's official reserves fell by \$41m in August to \$43.56bn. Treasury figures show. On an underlying basis, excluding transactions such as repayments under the exchange cover scheme, the fall was \$27.7m, about in line with market forecasts of a 2.5 per cent decline.

At 10am, after the share price had risen around 150p, Lord Archer telephoned Mr Wharmby and sold the shares, netting a profit after commission of just over £27,000.

An "account payee only" cheque for this amount, made out to Mr Sain, was sent on February 4 to Lord Archer's London address. Both deals were completed in such a way that they counted as falling into the next trading account, which meant no money had to change hands at that stage. The following Tuesday, January 18, MAI announced its £28.7m takeover bid very early in the morning.

At 10am, after the share price had risen around 150p, Lord Archer telephoned Mr Wharmby and sold the shares, netting a profit after commission of just over £27,000.

Archer named in client details for Anglia share deal

By Robert Peston

The stockbroking account set up by Lord Archer for dealing in Anglia Television shares was set up in the name of "B Sain Esq, c/o J Archer, Alembic House". Lord Archer has a penthouse in Alembic House.

Mr Alistair Darling, Labour's spokesman on the City, said this disclosure reinforced his party's case that the DTI should publish the report into alleged insider trading, so that the public could judge what really happened. At the end of July, Mr Michael Heseltine, the trade and industry secretary, decided not to take any further action against Lord Archer.

Lord Charles Stanley for dealing in the Anglia shares was set up in the name of "B Sain Esq, c/o J Archer, Alembic House". Lord Archer has a penthouse in Alembic House. His wife Lady Archer. The first was placed on January 13, the day after Anglia's board had been given details of the price

FINANCIAL TIMES

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Division of labour day

Out of 'votelessness', comes thoughtlessness. Unable to 'put people first' in Congress, President Clinton would like to see the Federal Reserve take on the mission instead. The lesson from this world recovery, however, is that the central bankers who seem all but indifferent to the employment of their fellow-citizens, are best able to deliver the sustainable recovery which, in the long run at least, is the surest way of producing it.

He ought to know better, but Mr Alan Blinder, the newest vice-president on the Fed, recently backed up Mr Clinton's demands for more personable monetary policy-making, by suggesting that the Fed should focus more on employment growth for the next couple of years. The attractions for the president are obvious. So far this year, the Fed has delivered on its mandate rather more effectively than the White House: why not broaden it to include more jobs, as well as stable prices?

There are (at least) two reasons why not. One practical difficulty, which would face any central banker who adopted a more explicit employment target, would be deciding what such a target might be. Today's complex mix of labour market trends and broader economic conditions in the world's main industrial economies give little clue as to what the best objective might be. The second, more timeless, reason why an additional employment target should be ruled out is that a multiplicity of aims, even if they could all be applied in practice, has proved inconsistent with monetary policy.

Mr Blinder's comments conflict with remarks by his chairman, Mr Alan Greenspan, who last week warned that addressing monetary policy to the task of reducing unemployment would only bring instability in financial markets. At first glance, however, the US economic data released last week do add weight to Mr Blinder's case.

Sustainable pace

The revised real growth rate in US gross domestic product in the second quarter, at 3.8 per cent, was only 0.1 percentage points higher than previously thought, a considerably smaller revision than many had expected. Coupled with other subdued data, this adds to the impression that the five interest rate increases since the beginning of the year may be slowing the economy to a more sustainable pace. Given yesterday's news of an unexpectedly small 178,000 increase in non-farm payrolls for August, less doomsday observers than Mr Greenspan might argue that further monetary tightening should be delayed.

Yet even Mr Blinder would not

argue that a US unemployment rate of 6.1 per cent provides much room for non-inflationary stimuli to job growth. The most optimistic estimates of the rate of unemployment that is consistent with stable prices would not be much lower than 5.5 per cent. This year's household survey and labour department statistics have been sending contradictory signals on employment. But the difficulties in deciphering the data merely suggest that the Federal Reserve should avoid adjusting its interest rate policy in light of short term employment trends.

German unemployment

The Bundesbank is certainly not one for doing so. This week's Council meeting once again decided against lowering interest rates, despite the fact that German unemployment continues to rise.

With official German unemployment set to peak at about 10 per cent, the Bundesbank's determination to maintain monetary restraint seems downright perverse to the Americans.

Yet Germany's economic recovery, though considerably younger than that of the US, already seems rather more 'voteable' for Chancellor Kohl than it has been for Mr Clinton.

The difference in the two leaders' positions can be traced to political factors as well as economic ones. But a part of the spring in Mr Kohl's step, as he enters the last stage of his campaign for re-election, can be traced to the way the Bundesbank's tough stance on inflation has already produced low long-term interest rates. These, in turn, have enabled the German recovery to proceed more quickly than many had expected after such a prolonged downturn. The signs are that GDP in the second quarter rose about 2.3 per cent from 1993, considerably higher than expected a few months ago.

Monetary policy can never be as finely tuned as many politicians would like. Estimating the effect of a given change in direction, let alone the time lag with which it operates, will always be a matter of educated surmise.

But the same uncertainty need not, and should not, apply to the declared goals of its practitioners. Presidents have to juggle conflicting objectives and satisfy multifarious constituencies. Central bankers, by contrast, are best employed in sticking to the overriding objective of monetary stability.

While the IRA and Sinn Féin have made there is no deviation from its ultimate objective of a 32-county Irish republic, it is prepared to try an alternative route. According to Mr Adams: 'Irish nationalism has sufficient political confidence, weight and support to bring about the changes essential for a just and lasting peace.'

While there is no deviation from the IRA's cash position, it is prepared to try an alternative route. According to Mr Adams: 'Irish nationalism has sufficient political confidence, weight and support to bring about the changes essential for a just and lasting peace.'

Twenty years ago, hardliners in the protestant community were able to combine forces to bring down the

Perhaps, after two and a half decades of stomach-churning attrition, this week's IRA ceasefire means the people of Northern Ireland can start burying their differences instead of their dead. Perhaps not.

Whichever direction Ulster takes from what the high command of the provisional IRA calls an 'historic crossroads', it will be too late for Mr Sean McDermott, the 37-year-old catholic shot dead by loyalist gunmen just 12 hours before the mid-night ceasefire began.

But, for the baby boy born to Lisa Stewart in Belfast's city hospital six hours and six minutes into the peace, there is the chance of a life free of the troubles which began the year his mother was born.

Whether the province is finally awakening from a 25-year nightmare, which by last night had claimed 3,170 lives, or is preparing for something worse will now begin to unfold, fitfully and unpredictably, over the next weeks and months.

The rows over the calculated decision of the IRA not to commit itself to the 'permanent' ceasefire demanded by London and Dublin and on the untimely return to Ulster jails of four republican prisoners, which hinted at secretly agreed concessions by London, will not be the last. They will appear trifling compared with what lies ahead, and the leadership qualities and goodwill of everyone involved will be severely tested.

The timing of a breakthrough delivered by the republican movement came as a surprise after nearly nine months of private prevarication and public point-scoring on the contents of last December's Downing Street declaration - London and Dublin's best shot at establishing an universally acceptable blueprint for a lasting political settlement for Ulster.

Though the announcement came suddenly, the underlying shift in attitudes has been more gradual.

Upbeat predictions have been made before in the land of false dawns, but this time they reflected a perceptible change in attitudes within the community.

Under the leadership of Mr Gerry Adams, Sinn Féin - the IRA's political arm - has been pursuing for seven years its own Irish peace initiative. Its efforts - against a background of dwindling public support and a growing recognition that consent, not coercion, was the only truly supported in both north and south - have been met from outside with contempt.

But Mr Adams has managed to cultivate within republican ranks a culture of debate and the notion of political negotiation as an alternative to the armalite. The leadership of Sinn Féin and the IRA appear to understand that the ability to kill has not brought much progress towards British withdrawal and a united Ireland.

Monetary policy can never be as finely tuned as many politicians would like. Estimating the effect of a given change in direction, let alone the time lag with which it operates, will always be a matter of educated surmise.

But the same uncertainty need not, and should not, apply to the declared goals of its practitioners. Presidents have to juggle conflicting objectives and satisfy multifarious constituencies. Central bankers, by contrast, are best employed in sticking to the overriding objective of monetary stability.

While there is no deviation from the IRA's cash position, it is prepared to try an alternative route. According to Mr Adams: 'Irish nationalism has sufficient political confidence, weight and support to bring about the changes essential for a just and lasting peace.'

Twenty years ago, hardliners in the protestant community were able to combine forces to bring down the

The IRA's ceasefire represents only the first stage on a perilous road to lasting stability in Ulster, says Michael Cassell

The struggle to hold on to peace



newly established power-sharing executive, demonstrating a unity and resolve which is no longer evident. Now, the broad body of unionists face a stark choice.

They can try to wreck any new political initiatives to preserve a status quo no longer acceptable in London, or they can help forge a compromise package of political and constitutional change. Confronting them as they choose will be a formidable coalition stretching from Washington to west Belfast.

Whatever happens, protestants will be less concerned about the continuing self-exclusion from any future talks of the Rev Ian Paisley's Democratic Unionist Party. The hope is that, eventually, his still-powerful voice will be undermined by political momentum.

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Money, kids and family rows

Debate at the UN's population summit is about how, not whether, to curb growth in numbers, says Bronwen Maddox

In the past two years Dr Nafis Sadik has travelled to more than 150 countries, some more than once, while preparing to chair the United Nations' conference on population and development which begins in Cairo on Monday. Her grandson, she says, assures she must have a tyrannical boss who orders her to travel constantly. Dr Sadik is amused by the irony, as the conference's aim - and the target of bitter attacks from governments and religious groups - is to give women more control over their lives.

This weekend, as more than 10,000 delegates, lobbyists and journalists from 170 countries gather in the African continent's most populous city, battle lines have been drawn. In an unlikely alliance against the UN's draft policy document, Pope John Paul II has accused the conference of promoting abortion as a means of contraception, while Egypt's Al-Azhar University mosque, influential in the Muslim world, has criticised the draft agenda for condoning homosexuality, pre-marital and adolescent sex.

Apparently moved by such concerns, Saudi Arabia and Sudan, both Muslim countries, have announced they are boycotting the conference. The decision of Turkey's prime minister, Tansu Ciller, and Bangladesh's prime minister, Ms Begum Khaleda Zia, not to attend may also have been influenced by the mounting religious opposition.

Such reactions are unsurprising: the issues bring to the fore the sorest divisions between governments, cultures and religions. Two years ago, Britain's Prince Charles accused the Rio Earth Summit of ducking population control and contraception issues because of their contentiousness, despite their relevance to environmental concerns.

Yet Cairo opens with a greater level of international consensus on the desirability of lower birth rates than was imaginable 10 years ago at the

UN's last population conference in Mexico. This partly reflects a new recognition of the scale of the problem. The UNFPA - the UN population fund, of which Dr Sadik is executive director - estimates the world's population will nearly double to 10bn from 5.7bn by the middle of next century.

In the light of such projections, many African countries, which appeared uninterested in curbing population growth a decade ago, have undergone a sea change in attitude. Part of the reason has been the impact of rapid population growth on over-stretched health and education plans. Moreover, some such as Dr Fred Sai, Ghanaian president of the International Planned Parenthood Federation, which promotes family planning services around the world, argue overpopulation has been a factor in Rwanda's turmoil.

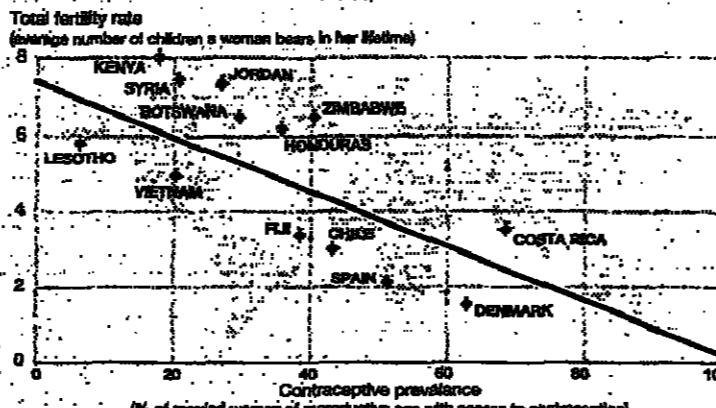
But the greater consensus also reflects a new confidence among countries that family planning can work. That optimism is based on the sharp falls in fertility rates - the average number of children borne by a woman - in most developing countries since the Mexico conference. To demographers' surprise, rates have fallen even when economic development has been slow, confounding conventional wisdom. Easy access to contraception (see chart) is one of the most important factors leading to smaller families, experts now argue.

Countries which have not shown such declines in fertility rates and are still ambivalent or sceptical about family planning tend to be relatively affluent with small populations, particularly Muslim countries in north Africa and the Gulf. But even Pakistan, which for years made little attempt to curb high fertility rates, has recently begun to promote family planning programmes vigorously.

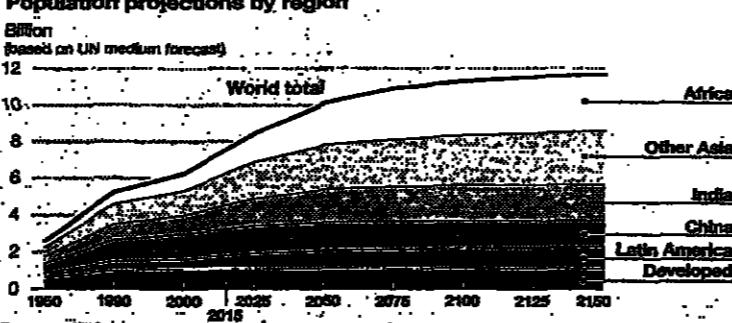
Despite the new agreement on goals, however, there is still wide disagreement about how to get there. Cairo delegates expect fierce debate

World population: more and more

Fertility and contraception availability



Population projections by region



on two fronts: the final wording of the UNFPA's policy guidelines on family planning; and its proposal that financial support for family planning should treble to \$17bn a year by the year 2000. The UNFPA wants at least a quarter of this funding to be supplied as international aid, the rest via national programmes.

In the countdown to Cairo, the noisiest criticism has centred on how the final text will view abortion. Dr Sadik, who calls the row a "red herring", believes the Vatican is using state which speaks for 800 people, not for the 1bn Catholics of the world, most of whom are not behind their church on contraception".

Behind that headline-grabbing row, however, many religious groups as

mentions abortion only as a threat to women's health; the UNFPA estimates 250,000 women a year die from badly-performed operations. The UNFPA is currently barred from promoting abortion or helping doctors perform the operation, even where a lack of medical skill endangers women's lives.

She says the conference "should accommodate the Vatican only as one for the 1bn Catholics of the world, most of whom are not behind their church on contraception".

Behind that headline-grabbing row, however, many religious groups as

well as governments have begun to show a wider unease about the agenda's proposals for improving sex education for teenagers, and for more general education for women and girls. The Iranian Health Minister, Mr Ali Reza Marandi, has criticised the conference for "ignoring Islamic values" and promoting "sexual liberty". According to Dr Sadik, "in the preparatory committee meetings, every government wholeheartedly endorsed empowerment of women, including even the language of women's groups. But now they are starting to recognise what it means".

As well as trying to settle such controversial points, governments will have to tackle the funding question. It will hardly be plain sailing. Some developing countries are wary of having to adopt western values to receive international aid. Others are concerned that some of the western contribution to funding will be taken out of other aid budgets. According to Dr Sadik: "I will not count it as failure if we don't get it [the \$17bn], but I will be very disappointed".

But however stormy next week's debate becomes, it is population growth, not the Cairo agenda, which presents governments with difficult choices. On the one hand, if they tolerate present fertility rates, they face the threat of social disruption: strains on natural resources will increase and people leave the countryside in search of jobs in crowded cities. If they need any reminder of those threats, China provides a graphic example: even though the Beijing government has taken tough measures to bring down family size, a projection two weeks ago estimated half of its population would be living in cities by 2010, against less than a third today.

On the other hand, if governments promote easier access to contraception, they can expect big changes in women's social role. Those are, notably for conservative countries, uncomfortable options. But however many amendments are made to the Cairo agenda, demographers' arithmetic shows governments cannot expect their societies to stay the same.

John Authers on why the female of the species is top of the class in the UK

Girls just wanna be number one

North London Collegiate, the girls' school whose pupils

in this year scored better in GCSE exams than any other independent school's

was once proud of its cookery and needlework lessons. Not any more. Its old cookery room has been converted for craft, design and technology.

The move highlights a transformation in the aspirations and confidence of girls' schools. Not only are more girls styling traditional boys' subjects - they are beating them across the board.

Girls overtook boys at GCSE level (the main exams for 16-year-olds) in England and Wales a few years ago, and it would not surprise me if they've now overtaken at A-level as well", says Mrs Joan Clancy, headmistress at North London Collegiate.

The figures support her claim. League tables, which rank schools by exam performance, have shown girls' schools persistently matching and even beating better resourced boys' schools.

Complete figures for the state sector's performance in this year's public exams will not be available until November. But yesterday's GCSE rankings for independent schools showed girls' schools occupying 18 of the top 20 places. At North London Collegiate, 81.5 per cent of all the GCSEs taken resulted in the top "A" or "A-star" grades.

Similarly, last week's A-level results league tables for independent schools showed sharp improvements by girls' schools - notably boarding schools. Malvern Girls' College rose to 13th, from an average over the past five years of 42nd, while Roedean improved to 27th from 96th.

Swotting for her future increase in the number of women in higher education has helped "ensure that the potential of over half the population is fully realised".

According to the Equal Opportunities Commission, the figures are indicative of how women's aspirations and expectations of themselves at last equal those of men.

Mrs Ann Longley, headmistress of Roedean, said: "The facts show single-sex girls' schools are doing an excellent job. Girls would not choose to stay if they were not enjoying the single-sex environment and feeling fulfilled."

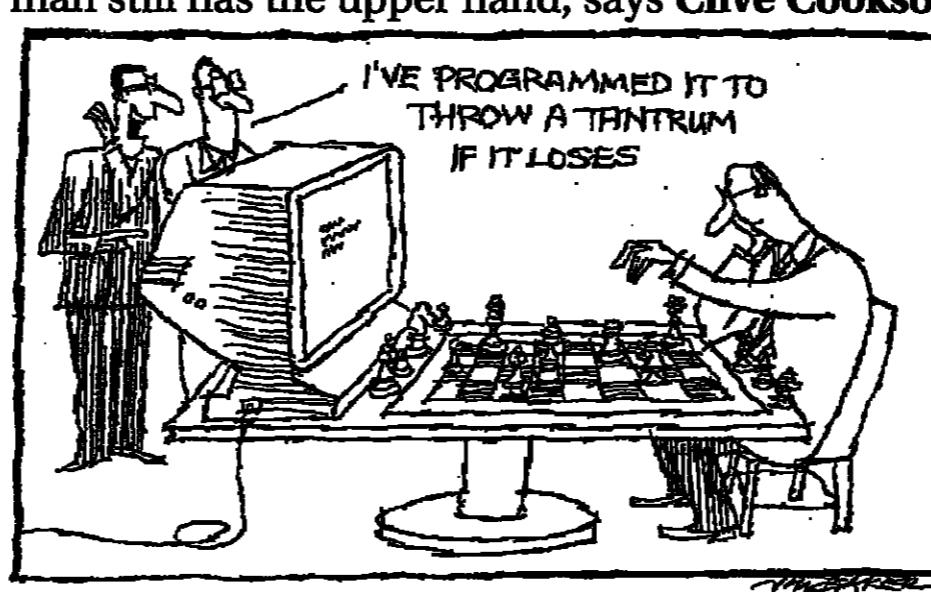
Single-sex education is coming back into vogue and is even being reintroduced in some schools. From this autumn, for example, Shenfield High, a mixed school in Essex, is responding to parents' demands by teaching its boys and girls in separate classes. Other state schools are considering doing the same.

If Cog can play bridge, this will be a by-product of its general learning skills, not its main *raison d'être*. And unlike today's chess computers, it will be physically capable of making its own moves. Cog will have eyes to see the cards, arms to play them, ears to hear the bidding and a voice to speak itself.

Although a primitive first-generation Cog exists, it will probably be several decades before the robot develops sufficient understanding and adaptability to play bridge with people.

By then the thought of a human chess champion playing a computer will seem as ridiculous as it would be today for a sprinter to race against a Formula 1 car.

According to the Department for Education, in 1992, 45 per cent of girls passed five GCSEs at grade C or above (equivalent to a pass in the old O-level), while 38 per cent of boys reached the same standard. That suggests girls'



The best Bridge computers today are not even up to good amateur standard'

In draughts (or checkers, as it is known in the US) the champions have also succumbed to the power of computers. But there are other intellectual games in which the human brain still reigns supreme. One is Go, which originated in east Asia 4,000 years ago, making it more than twice as old as chess.

The rules of Go are simpler than those of chess but it has a larger board and more potential moves at every stage. As a result, the balance between long-term strategic thinking, which is the forte of the human player, and short-term tactics, at which the computer excels, is tilted in favour of the former. Good Go players again beat the machine, we should feel liberated and treat chess as a pure sport again."

Chess and Go are "games of perfect information"; nothing is hidden from the players.

Computers are less successful at card games such as bridge, where the course of play is less predictable and psychological factors are more important.

The best bridge computers today are not even up to good amateur standard," Rainer says.

The kind of skills you need for chess are not very useful for anything else - developing

a good bridge program would be much more useful for good artificial intelligence research.

"Bridge is a trickier game all round for the computer, because you have to reason about probabilities rather than certainties and you have to think about what your partner is thinking the whole time."

If machines are ever to become bridge champions, they may not be created by programmers dedicated to producing a bridge-playing equivalent of the Genius 2 chess computer. Instead, they may emerge from more general research into intelligent machines capable of learning human behaviour.

The most ambitious research of this sort is in progress at Massachusetts Institute of Technology's artificial intelligence laboratory. Scientists there are creating Cog, a humanoid robot which Daniel Dematté, one of the team, says will be able to "interact with human beings in a robust and

versatile manner in real time, take care of itself and tell its designers things about its condition that would otherwise be extremely difficult if not impossible to determine by examination".

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The world chess champion lost to a computer, but man still has the upper hand, says Clive Cookson

Chips can't (yet) do everything

When a chip chopped a chess champ this week, commentators were quick to proclaim another famous victory for computers in their long struggle for mental superiority over the human brain.

By knocking Garry Kasparov, the world champion, out of the Intel Grand Prix in London, the Pentium micro-processor certainly shocked the chess world - and saddened some people who thought its triumph would remove the game's intellectual mystique.

Although computers have been beating good players for several years, few people expected their first serious victory at the highest level to come so soon.

"A lot of people thought there was a qualitative difference between most grandmasters and the elite handful of potential world champions," says Manny Rainer, formerly an international chess player and now an artificial intelligence specialist with SRI, the Cambridge research consultancy.

"I'm beginning to think now that there might not be such a gap after all."

But Kasparov's defeat will have less psychological impact on artificial intelligence research than on the world of chess. In computing's pioneering era in the 1950s and 1960s, researchers learned a lot of important programming techniques by teaching computers

to play chess. Things are very different today. Chess computers have become a minor sideshow with little relevance to mainstream research. Scientists trying to mimic human intelligence in machines now prefer to work on problems related to the everyday world, such as translating between languages, enabling a robot to steer around obstacles or assessing the creditworthiness of bank customers.

For all its reputation as the queen of intellectual pursuits, chess is a self-contained small world with little scope for surprises - in other words, ideally suited to computing.

The personal computer that beat Kasparov - containing Intel's latest Pentium processor and running a Genius 2 chess program - costs only \$2,000 but it can carry out 16m calculations and analyse 100,000 possible moves every second. And that is fast enough to out-think a human player.

"Kasparov has relied on his experience and his strategic thinking, and that's no longer enough," says Professor Bill O'Riordan, head of advanced research for ICL, the UK-based computer company. "It comes to all of us - he is just too slow."

"Watching the human being becoming more and more draughted, while the computer remained as impulsive as ever, was strangely unsettling," says Andrew Finan, a tournament

player. "It's a simple solution to the signalmen's dispute (and indeed to all such differences). Under pendulum arbitration, an arbitrator is appointed whose task is to find for one side or another, but not to negotiate any further compromise. It is incumbent therefore upon each side to put forward their most reasonable claim, and one which they

believe an independent third party will favour.

This has the effect of bringing both sides quite close to each other, and removing the issue of loss of face. I commend it to RMT and Railtrack.

Ian M Harris
Bonas Machine Company
Dukehouse,
Team Valley Trading Estate,
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NE11 0LP

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only approach. The enforceability of contracts is the cornerstone of an efficient market economy. At present there is no effective redress against the customer who chooses to pay late, typically by 30 or 40 days. The sums outstanding are vast: we estimate them at £20bn - equivalent to small business

overdraft borrowing. This has a significant impact on the economy and voluntary measures have not worked.

After all, it has to be remembered that David Trippier, the then small business minister in 1986, said: "If these voluntary measures do not help to improve the late payment of

debt situation in this country, then we will not shy away from legislation". Eight years later we are being told the same thing by Michael Heseltine, the trade and industry secretary.

It has to be recognised that if legislation were introduced

system and replace it with four districts will improve accountability, bring services closer to the people and enable the real needs of our local communities to be better met.

On cost, the commission has indicated that the move to single tier councils in Cleveland will produce savings of between £5m and £11m a year, assuming services are maintained at their existing levels. Based on this calculation, reorganisation will pay for itself within three years.

Peter Olsen
Clark Whitehill,
chartered accountants,
40 Victoria Road, Hardpool,
Cleveland TS26 3DD

claim is that the vast majority of business owners will not be aware of a statutory right to interest but payment periods will improve.

S A Mendenham,
chief executive,
Forum of Private Business
Ruskin Chambers, Drury Lane,
Knutsford, Cheshire WA16 6HA

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL
Fax 071 873 5938. Letters transmitted should be clearly typed and not hand written. Please set fax for finest resolution

Banish this elitist to Bermuda Triangle

From Mr Tony Wright

Sir, The blatant elitism portrayed by Michael Thompson-Noel ("The English coast and its holidays", August 27) is a perfect illustration of the class prejudice which continues to inhibit economic growth in the UK.

His damning attack on English seaside resorts as "chopped-out and working class whose fate is to play host to the poorest and least sophisticated

resorts such as Great Yarmouth", is a slur on the resorts and the seaside remains a vast sector of society.

COMPANY NEWS: UK

Shares fall 31p to 628p on caution over second half

Pearson rises 50% to £96.3m and plans sale

By Raymond Snoddy

The shares of Pearson, the media and entertainment group which owns the Financial Times, fall by 4.7 per cent yesterday, in spite of a 50 per cent increase in pre-tax profits from £46.2m to £68.3m for the six months to June 30.

The 31p drop to 628p, the worst percentage performance by a FTSE 100 company yesterday, reflected disappointing results from the book publishing division, a modest interim dividend increase and fears of increased pressure in the second half which will not benefit from special factors that boosted the first half.

Lord Blackham, Pearson chairman, admitted that "progress will be harder during the rest of the year."

Pearson also formally marked the end of its transition from conglomerate to media company by saying it planned to sell its remaining 41 per cent stake in Camco International, the oil services company. The sale of 39 per cent of Camco at the end of last year raised nearly £230m (£145m).

Pearson's operating profit rose by 31 per cent to £57.5m

(£51.5m) on turnover down by 21 per cent to £548.8m (£54.4m). Earnings per share rose by 48 per cent to 9.2p (6.2p) and the interim dividend is up 7 per cent to 5.75p (5.375p).

Direct comparisons with the first half of 1993 are difficult to make because the intervening period has seen the demerger of Royal Dalton china, the sale of the Camco majority stake, and the receipt of £52m from British Sky Broadcasting in partial repayment of loans.

There was also a strong contribution from Thames Television with an operating profit of £10.4m – its first contribution to a Pearson first half year – and earnings from Eritel, the electronic information business.

Newspapers led the way in profit growth with a 66 per cent increase in operating profit to £26.8m. The Financial Times was up 91 per cent to £22.5m, although an associate company, Les Echos faced a difficult market in France.

The book division came under pressure, particularly in the school and college market in the US and operating profit at Longman fell by 82 per cent from £6m to £1.1m. Despite record deliveries of Penguin books, the division had an overall loss of 27m compared with a £1.7m profit in the 1993 first half. Most profits from book publishing are earned in the second half.

Profits from visitor attractions such as Tussauds have more than doubled to £5.5m but attributable profit from investment banking fell from £16.4m to £13.7m mainly because of pressure on New York business.

Mr Frank Barlow, Pearson managing director, confirmed that the company would launch two channels of satellite television with the BBC in Europe early next year and was looking at other ventures with the Corporation. He also

confirmed that talks to buy a 10 per cent stake in TVB, the Hong Kong broadcaster, had broken down on price some weeks ago. Lord Blackham said organic growth and acquisitions would be supplemented by a series of alliances with other companies.

Mr Derek Terrington, media analyst at Kleinwort Benson, maintained his full-year profit forecast of £225m. TVB stake sale, Page 9

Protests grow over Body Shop article

By Neil Buckley

A member of the advisory board of US magazine Business Ethics has resigned in protest over the magazine's decision to publish an article critical of Body Shop International, the UK-based "green" cosmetics group.

Mr Ben Cohen, co-founder of Ben and Jerry's, the socially responsible ice-cream maker previously described by Body Shop as "like a brother company", said he had warned the magazine he would resign if it went ahead with the story.

News of his resignation came as Body Shop issued a further rebuttal of the article's contents.

Mr Cohen called the article, by Mr Jon Entine, an investigative journalist, a "disgrace" which he said "repulsive media outlets" had refused to publish.

"This unbalanced, questionable piece of journalism does not advance a constructive dialogue about social responsibility. Business Ethics should not have run it," he said.

Mr Marjorie Kelly, publisher and editor in chief of Business Ethics, said Mr Cohen had resigned before he read the article, after a conversation with Body Shop.

Thursday's article questioned Body Shop's treatment of franchisees, its third world trade and animal testing policies, and its product ingredients. Body Shop said yesterday it was still considering legal action over the story.

In a 12-page statement, Body Shop called the article a "poorly-researched piece... riddled with errors and grossly unfair to Body Shop and its founders".

The company defended its products, saying research had shown consumers considered these to be very high quality.

Body Shop said more than 95 per cent of its franchisees had written it an "extraordinary letter of support" after hearing the allegations. It added that of 22 sources named in the article, 10 were disgruntled former employees or franchisees, current competitors, or disappointed bidders for its business. Four more either denied their quotes or claimed they were unfairly used.

Mr Kelly stood by the story.

"We spent months working with Jon [Entine] on this story and the facts are solid. He is an excellent reporter. His credentials are sterling."

Hanson has 51% of Scholes at first close

Hanson, the Anglo-US conglomerate, said that by the first closing date of its recommended £26.1m offer for Scholes Group, the electrical equipment maker, it had received valid acceptances in respect of 14.8m shares, representing 51.08 per cent of the ordinary capital.

The offer, including the loan note alternative, has been extended until September 15.

Group turnover fell to £14.1m, against £17.2m – including £0.6m from discontinued operations. Losses per share came out at 3.4p (0.4p earnings).

The offer alternative has been extended until September 15.

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INTERNATIONAL COMPANIES AND FINANCE

Kuok sells part of TVB holding for HK\$1bn

By Simon Holferton
in Hong Kong

Mr. Robert Kuok, the Malaysian financier, has sold 7.5 per cent of Television Broadcasts, Hong Kong's premier television company, for more than HK\$1bn (US\$128.5m).

He placed 30m shares at HK\$36.50 each to investment institutions on Thursday - the day after TVB unveiled a 70 per cent rise in first-half net earnings to HK\$278m.

The sale has reduced Mr. Kuok's stake in TVB to around 17 or 18 per cent. The shares, when they were acquired in 1989, cost Mr. Kuok HK\$14.50, suggesting a gross profit on the transaction of around HK\$60m.

Analysts said Mr. Kuok had been keen for some time to reduce his exposure to TVB. He did not take an active interest in the management of the company, but rather treated his near 25 per cent interest as an investment, they said.

Mr. Kuok had for several

months been in talks with Pearson, the UK media and housing group which owns the Financial Times, about the British group buying up to 10 per cent of TVB.

Pearson has, however, confirmed that it pulled out of the talks a few weeks ago on the grounds of price.

Analysts expect Mr. Kuok to seek to reduce further his investment in TVB.

They note, however, that TVB's share price has performed well over the past months.

Last month Mr. Kuok, who has made Hong Kong his home, reduced his stake in Shangri-La Asia - his hotels group - to 54.8 per cent from 61.5 per cent. The placing of these shares realised

HK\$60m. The continued proceeds of the two placements leaves Mr. Kuok with nearly HK\$1.7bn. The money could go toward his ambitious plans for residential property development in Hong Kong, and more investment ideas in China.

Healthy recovery at Belgian retailer

By David Gardner in Brussels

Delhaize "Le Lion", the big Belgian retail group, posted a BFr1.7bn (US\$2.4m) profit in the first half of this year, a 73 per cent rise on the same period of 1993. Turnover rose 10 per cent to BFr179.5bn.

The half-year result compares with earnings for the whole of 1993 of BFr1bn, against a BFr6.3bn profit in 1992. The group said it expected a significant improvement for the whole of this year.

The Belgian supermarkets and stores saw sales rise 5.4 per cent to BFr47.8bn from BFr43.5bn. However, profits are only just beginning to recover from recession, sharp discounting in food prices, restructuring costs

and industrial disputes.

Delhaize's main interest abroad, the Food Lion supermarket chain in the US, turned in a 6.4 per cent increase in sales, to \$3.6bn, for the first half, with profits of \$66m.

This rise, of 25 per cent, is particularly satisfying to the Belgian group after a tough six months in which it weathered bad publicity in the US over alleged hygiene shortfalls, fierce competition, and a dispute with the US Department of Labor over overtime work and safety conditions for employees.

Sales and profits also showed modest increases at the Belgian group's stores in Greece, the Czech Republic, and at the northern French PG Group in which it acquired a 74 per cent stake last May.

Profits at Goodman Fielder flat at A\$169m

By Nikki Taft
in Sydney

Goodman Fielder, the beleaguered Australian food company where dissident shareholders are pushing for boardroom changes, yesterday disclosed another 12 months of static profits. This was the fifth successive year it has

shown minimal bottom-line progress.

Profits before tax and abnormalities in the 12 months to the end of June rose marginally, to A\$169.9m (US\$125.6m) from A\$164.1m, while sales were A\$3.86bn, down from A\$4.71bn.

However, a A\$17.8m abnormal charge, against last time's A\$10.8m surplus, lowered operating profits after tax and abnormalities down to A\$83.4m from A\$182m.

Basic earnings per share before abnormal items fell to 8.2 cents from 10.4 cents. After abnormalities, they dropped from 16.1 cents to 8.1 cents.

The company insisted the results picture had been muddied by disposals and acquisitions. It said the increase in pre-tax profits based "only on current businesses and adjusted for timing" would have been 22 per cent.

It also blamed the stronger Australian dollar for depressing earnings from international operations in local currency terms.

Goodman said profits had picked up in its domestic baking and milling operations, while consumer foods had shown a strong improvement.

The poultry division, by contrast, made an "unsatisfactory contribution", and the ingredients arm was hit by falling grain prices.

Mr. Barry Weir, chief executive, said a "significant earnings improvement" was budgeted for 1994-95, and "further significant gains" in the following year.

These would come from cost reductions, baking industry rationalisation, some volume gains and the start of a turnaround in Goodman's Asian businesses.

Goodman said yesterday it had

Solid earnings growth at Roche

By Ian Rodger in Zurich

Roche, the Swiss health products group which recently acquired the Syntex pharmaceuticals company of the US for \$5.3bn, achieved first-half net income of SFr1.6bn (\$1.2bn), on SFr7.5bn in sales.

It is the first time the group has reported interim profit figures, and no comparative data is available. Net financial income was SFr508m, equivalent to 64 per cent of the amount earned

in the whole of last year.

Both of the group's Basle rivals, Ciba and Sandoz, suffered sharp reversals in their financial earnings in the first half.

Roche also outperformed its local rivals at the operating level: its SFr1.56bn operating profit reflected a 21.3 per cent margin on sales. Sandoz's operating margin was 16.5 per cent, while Ciba's was 17.2 per cent.

Roche said sales growth in the second half would be slower than the recent trend. It blamed government pressure on prices of drugs and laboratory services and said profits would be lower than in the first half.

However, it forecast "a further significant rise" in net income for the full year, a more optimistic outlook than in mid-July, when it announced first-half sales.

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However, it forecast "a further significant rise" in net income for the full year, a more optimistic outlook

WEEK IN THE MARKETS

Metals up on better prospects

By Deborah Hargreaves

Metal markets were buoyed this week as traders expressed optimism about the erosion of stock levels and a labour dispute in Canada lifted the nickel price. Aluminium prices at the London Metal Exchange reached a 3% year high on Thursday on an improvement in the fundamental prospects for the metal.

Traders believe that an informal agreement between producers to cut aluminium output agreed earlier this year is finally beginning to eat into previously-high inventory levels.

At the same time, a drought in Ghana and a strike at Australia's largest aluminium smelter have added strength to the market. The lack of water in Ghana is expected to lead to the closure of the Volta Aluminium Company smelter on September 10 - the plant was expected to produce 140,000 tonnes of metal this year. The Tomago smelter in Australia plans to close one of its three potlines on Monday unless striking employees return to work.

Aluminium prices for delivery in three months rose by \$2 a tonne over the course of the week, adding \$28 a tonne on Thursday to close at \$1,565 a tonne - a slight drop from the 3% year high point of \$1,570 a tonne reached earlier in the session.

A further stock drawdown yesterday when LME stock levels were released reinforced the bright outlook for the aluminium market. Aluminium stocks dropped by 17,755 tonnes. But although prices rose higher during the session, the market failed to break the \$1,565 a tonne mark at the close.

Strength in the copper and nickel markets complete a picture of a buoyant week for metals. Nickel prices for three

months' delivery increased by \$400 a tonne over the course of the week after workers at Canada's Falconbridge - the second biggest nickel producer in the west - decided to go on strike over pay and conditions.

Nickel closed at \$6,350 a tonne yesterday - \$40 below its high point as traders reacted to higher-than-expected levels of LME stocks.

Copper continues to be lifted by speculative and investment fund buying even though a rise in LME stock levels yesterday temporarily dampened market sentiment. Copper prices managed to remain above a key resistance level at \$2,500 as tonnes, having touched \$2,520 a tonne earlier in the week.

After gaining ground at the beginning of the week following the closure of Forcador - Shell's big export terminal on the Nigerian coast, the oil price lost almost \$1 a barrel. The price drop occurred as scares over delivery problems

LME WAREHOUSE STOCKS (At Wednesday's close)

Aluminium	-19,775	to 2,577,700
Aluminium alloy	-18,775	to 2,577,700
Copper	+8,900	to 48,500
Lead (barrel)	-2,170	to 333,000
Nickel	+650	to 197,316
Zinc	-80	to 1,182,525
Zinc alloy	+800	to 25,700

in Nigeria disappeared from the market and traders came to terms with high output levels in the North Sea.

North Sea crude prices slipped from \$17.4 a barrel to \$16.20 a barrel yesterday, but at one stage dropped much further.

Coffee prices rose by over \$100 a tonne during the course of the week with most buying heavily influenced by technical signals and activities of investment funds. Uncertainty over weather in Brazil which remains very dry helped to lift prices towards the end of the week. The November futures contract rose to \$3,830 a tonne by Friday.

However, the cocoa market was depressed with prices dropping by around \$50 a tonne.

BASE METALS

LONDON METAL EXCHANGE

(Prices from Amalgamated Metal Trading)

II ALUMINIUM, 99.7% PURITY (5 per tonne)		
Cash	3 mths	
Close	1539.40	1544.5
Previous	1536.8	1544.5
High/low	1572/1598	
AM Official	1583.4	1593.0
Kerb close	1555.7	
Open Int.	276,429	
Total daily turnover	55,193	

Nickel closed at \$6,350 a tonne yesterday - \$40 below its high point as traders reacted to higher-than-expected levels of LME stocks.

Copper continues to be lifted by speculative and investment fund buying even though a rise in LME stock levels yesterday temporarily dampened market sentiment. Copper prices managed to remain above a key resistance level at \$2,500 as tonnes, having touched \$2,520 a tonne earlier in the week.

After gaining ground at the beginning of the week following the closure of Forcador - Shell's big export terminal on the Nigerian coast, the oil price lost almost \$1 a barrel. The price drop occurred as scares over delivery problems

LME LEAD (5 per tonne)

Cash	604.5-5.5	617-8
Previous	601.5-2.5	616-7
High/low	605/603	619/612
AM Official	602.3	615-8
Kerb close	617-5	
Open Int.	41,164	
Total daily turnover	6,026	

Total daily turnover 136

II LEAD (5 per tonne)

Cash	604.5-5.5	617-8
Previous	601.5-2.5	616-7
High/low	605/603	619/612
AM Official	602.3	615-8
Kerb close	617-5	
Open Int.	41,164	
Total daily turnover	6,026	

Total daily turnover 136

II NICKEL (\$ per tonne)

Cash	8250-80	8340-5
Previous	8345-55	8450-40
High/low	8400/8510	8470-5
AM Official	8280-5	8370-5
Kerb close	8345-50	
Open Int.	54,573	
Total daily turnover	8,845	

Total daily turnover 8,845

II NICKEL (\$ per tonne)

Cash	8250-80	8340-5
Previous	8345-55	8450-40
High/low	8400/8510	8470-5
AM Official	8280-5	8370-5
Kerb close	8345-50	
Open Int.	54,573	
Total daily turnover	8,845	

Total daily turnover 8,845

II ZINC (Special high grade) (\$ per tonne)

Cash	986-8	1007-8
Previous	983.5-4.5	1007-8
High/low	986/988	1007/1009
AM Official	988-7	1008-9
Kerb close	1001-2	
Open Int.	97,733	
Total daily turnover	14,288	

Total daily turnover 14,288

II COPPER (Grade A) (\$ per tonne)

Cash	2490-1	2504.5-5
Previous	2498-8	2507-8
High/low	2490/2495	2510/2540
AM Official	2485-7	2507-8
Kerb close	2503-4	
Open Int.	218,896	
Total daily turnover	67,722	

Total daily turnover 67,722

II LME AM Official 2/8 rate: 1.5432

LME Closing 2/8 rate: 1.5477

Spot 1/8 rate: 1.5437 6 mths 1.547 8 weeks 1.5383

II HIGH GRADE COPPER (COMEX)

Cash	1240-1	1254.5-5
Previous	1248-8	1257-8
High/low	1240/1245	1251/1256
AM Official	1245-7	1257-8
Kerb close	1250-8	
Open Int.	218,896	
Total daily turnover	67,722	

Total daily turnover 67,722

II COPPER, Grade A (\$ per tonne)

Cash	2490-1	2504.5-5
Previous	2498-8	2507-8
High/low	2490/2495	2510/2540
AM Official	2485-7	2507-8
Kerb close	2503-4	
Open Int.	218,896	
Total daily turnover	67,722	

Total daily turnover 67,722

II COFFEE (Grade A) (\$ per tonne)

Cash	1985-6	2007-8
Previous	1983-5	2007-8
High/low	1984/1985	2006/2007
AM Official	1988-7	2007-8
Kerb close	2001-2	
Open Int.	97,733	
Total daily turnover	14,288	

Total daily turnover 14,288

II COFFEE (Grade A) (\$ per tonne)

Cash	1985-6	2007-8
Previous	1983-5	2007-8
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CURRENCIES AND MONEY

MARKETS REPORT

Dollar fades

The dollar wilted on the foreign exchanges yesterday after the US treasury market responded negatively to US employment data, writes Philip Gould.

Although the market's initial response was positive, it soon changed its mind and the dollar followed Treasury bonds lower, slipping three pennies from a high for the day of DM1.5540 to DM1.5540 later. Against the yen it fell from a high of Y103.2 to a low later of Y103.5.

The D-Mark's firmness against the dollar helped it to end sharply higher against various European currencies. A late afternoon flurry saw it finish at L1.009 against the lire from L1.002.

Sterling also suffered at the hands of the firmer D-Mark, losing nearly three pennies from its high for the day to close in London at DM2.4101. The sterling trade weighted index closed at 78.5, down from

a high of 79.4 earlier in the day.

At first glance, the payroll figures looked to be supportive for the dollar. The 179,000 increase was well below the 234,000 consensus forecast, and this should have supported US bonds, and hence the dollar.

The market, however, chose to focus on the strong manufacturing data, where jobs, hours worked and overtime

were all seen as indicating wage pressure.

The dollar's woes were later exacerbated by the Columbia University inflation index – said to be closely watched by Fed chairman, Alan Greenspan – rising to 11.4 in August, from 10.5 in July.

Dollar



Source: FT Graphs

\$ per £

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1.54

1.53

1.52

1.51

1.50

1.49

1.48

1.47

1.46

1.45

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LONDON STOCK EXCHANGE: Dealings

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated prices are in pence. The prices are those at which the business was done in the 24 hours up to 5 pm on Thursday and settled through the Stock Exchange Taisman system, they are not in order of execution but in ascending order which denotes the day's highest and lowest dealings.

For those securities in which no business was recorded in Thursday's Official List the latest recorded business in the three previous days is given with the latest date.

Price £/s are not regulated by the International Stock Exchange of the United Kingdom and the Republic of Ireland Ltd.

† Bargains at special prices. ‡ Bargains done the previous day.

British Funds, etc

Treasury 13 1/2% Stk 2000/03 - £1295 1292

Corporation and County Stocks

London County 2 1/2% Cons Stk 1920/06 after £225 (214/2)

Birmingham Corp 3% (1920) 1926/06 after £222 (214/2)

Bristol Corp 5% 1924 Inst Stk - 227 (214/2)

Bristol Corp Dist 5% Inst Stk - 225 (214/2)

Derby Corporation Borough Council 7% Ln Stk 1918 (Fr £ Val) - 224 (214/2)

Essex 1918 (Fr Val) - 223 (214/2)

Gloucester Corp 5% Inst Stk 1920/06 after £223 (214/2)

Leeds Corp 5% Inst Stk 1920/06 after £223 (214/2)

London County 2 1/2% Cons Stk 1920/06 after £223 (214/2)

Nottingham Corp 5% Inst Stk 1920/06 after £223 (214/2)

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based on 30 day holding period. Prices of certain other Ameri-
can issues are not available. To convert price to another, lo-
cate fraction of U.S. issue in table below. To convert to
a Single premium bond, add 1/2 point to yield. In the
table below, for **Corporate Bonds** in **Investment Grade**,
in **Officer price** include all expenses except agency
commissions. For **Private Bond** price, see **Corporate price**,
Corporate, **Yield** and **Issue Date**. **Issue Date** is **Ex-Exemption**.
Only **annual** rates are given. For **1970 column** stand
for **1970** rates of 100% discount, or 100% premium.
1970 yields are **not** recognized. The regulatory authorities for
State Bonds are: **Secretary, Financial Services Commissioner**,
Alaska; **Control Board of Investors**, **West of Miss.**; **Financial
Separation Commissioner**, **Illinoi**; **Financial Services Depart-**

WORLD STOCK MARKETS

* As of Aug 27. Taiwan Weighted Price: 6803.04; Korea Comp Ex: 941.23. Base values of all indices are 100 except: Australia All Ordinary and Mining - 500; Austria Listed, BSE 220, HEP Gen. Mkt. Gen. SSI/P20, CAC40, Euro Top-100, ISEO Overall; Toronto Comp./Metals & Minerals and DAX - all 1,000; NYSE Gold - 255.7; JSE 26 Industrials - 264.3; NYSE All Common - 50 and Standard and Poor's - 10.55 Montreal + Toronto; IC Closed + DAX Unadjusted. 7 ISIN/SDAX after-hour index: Sep 2 - 1971.38 +11.90.

[†] Correction. * Calculated at 15.00 GMAT. [†] Excluding bonds, 5 included, plus Utilities, Financial and Transportation.
[‡] The DJ Ind. Index theoretical day's high and low are the averages of the highest and lowest prices recorded during the day by each stock whereas the actual day's high and low (supplied by Teletrend) represent the highest and lowest values that the index has reached during the day. The Nasdaq is included in the average despite its official classification as a market.

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1964. Floating exchange rate of £1.00 sterling is £1.00.
107. Exchange rates are based on rates from Jan 1,
1964. Floating exchange rate of £1.00 sterling is £1.00.
108. Exchange rates are based on rates from Jan 1,
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Weekend FT

SECTION II

Weekend September 3/September 4 1994

Motion pictures are 100 years old next year but they are not ageing well. This summer's releases - *The Flintstones*, *Maverick*, *Beverly Hills Cop 3*, *RoboCop 3* - suggest that Hollywood, for 80 years the undisputed headquarters of the movies, is sinking ever deeper into a second childhood.

In 1913, Cecil B DeMille chose a one-horse suburb of Los Angeles for his western *The Squaw Man*. Since then Hollywood has grown to reflect the dreams and aspirations of America, and to shape the popular culture of the west.

But what is becoming of it now? Judging by this year's alarming and widely castigated movies, it is turning into a sort of box-office Babel. Hollywood on the brink of the new millennium is a place where movies are overpriced and overhyped, competing only for financial return rather than critical acclaim or even word-of-mouth commandment.

Of course the Hollywood culture has always been tied to box office success. But in the past the integrated studios, with their own stars, producers and writers were at least striving to make great movies. The decline of the studios, under the assault of middlemen acting for big name producers and stars is throwing up quite different products, such as *The Flintstones* and *Maverick* (both out of 1950s TV), *True Lies* (out of James Bond via *Last Action Hero*) and sequels of sequels such as *RoboCop 3* and *Beverly Hills Cop 3*. Such movies use mass publicity to project tired and derivative ideas as ephemeral "hits".

The fees (including shares of profit) paid to stars and producers have become so huge that studios can no longer afford the great and original screenwriters, such as F Scott Fitzgerald, who once worked for them. So they do not generate the stream of well-crafted stories on which to base their productions.

Many commentators, including me, believe that the western film industry is dying by inches and that we know who is responsible. Hollywood today is a kingdom under enemy rule. We mean it is ruled by the agents and publicists who have staged a spectacular coup against the reign of the studios.

The rise of the agents began in 1945 when the talent impresario Jules Stein, president of Music Corporation of America, bought the client list of the famous agent, Leland Hayward. It was an extraordinary inventory of talent, including Astaire, Garbo, Gene Kelly, James Stewart and Katharine Hepburn. Stein began at once to create from this list a new instrument which would gradually break the contractual hold of the studios over the stars.

By 1948, MCA was putting pressure on the head of Warner Bros to release Bette Davis from a contract that still had several years to run. And one year later Stein secured an historic, unheard-of profits-share deal for another studio escapee, James Stewart, for the Western, *Witness for the Prosecution*.

The studios, which for a generation had thrived by controlling costs and nurturing their own talent under tight contracts, began to crumble in the face of this onslaught. And when MCA itself broke up in 1962 - disbanded by Stein as the Justice Department began growling about its stranglehold on the industry - the stage was set for the three replacement companies we know today. CAA (Creative Artists Agency), ICM (International Creative Management) and a new William Morris Agency took over the talent-handling business and, many people believe, now run the entire film industry. And in recent years they have enabled stars with inflated fees to shape the industry's output.

This is good for the talent, or at least for their bank balances. But bad for audiences. To understand why, let us see how this new-took industry operates. Broadly, for every Jack Nicholson or Julia Roberts or Francis Coppola, there is a Joe Blow or Jane Blow, an agent or publicist, to act as bellow-minder to the myth. Their job is to tell the outside world that "Mr Nicholson's price for his next movie is \$12m plus 2 per cent of the gross" or "Mr Coppola will do

The Tonight Show but not *Oprah Winfrey*" or if you are a journalist "Miss Roberts has never heard of you, go away."

As the studios declined, these doormen to the stars became stars themselves. In the old-style studio, most employees had some hands-on relationship with the stuff coming off the line: the movies. Veteran VIPs will describe the interconnectedness of every studio activity. Publicity, marketing, negotiating for roles, even schooling - for infant stars such as Elizabeth Taylor or Margaret O'Brien - took place inside those walls. And however devious the seven-year contract may have seemed, it allowed the studios to plan a stream of well thought out movies tailored to the available talent.

Today, as the veteran, Billy Wilder says, the studios are "like the Ramada Inn. You check in, you check out." The people running studios now change rapidly, whereas the agencies have an awesome consistency of top personnel - and of personality too, handed down from men such as the CAA boss, Michael Ovitz, obsessed with Oriental disciplines and near-religious team spirit.

The studios are like British soccer clubs. They real from one whizz-kid manager to the next. And when a new whizz kid comes in, where does he turn for ready-made ideas and projects to jump-start his production schedule? Why, to the agents. And what is the agent's main interest? To get more money for his client.

Hand in hand with these agents, and symbiotic with them in the modern Holly-

The doyenne of present-day publicists, Pat Kingsley of PMK, went into history as the first to ask a magazine editor: "Why do you always get to choose the cover?"

While the publicists wheedle or coquett or menace, the agents lie ever more alarming muscle. Sometimes they just sit around forcing up clients' fees, until studios, like open-houses, must risk bankruptcy in order to get the crowd-pleasing talent.

Sometimes agents put the fear of God into clients who might desert to another firm. And sometimes they graduate to brokering super-colossal deals as Ovitz himself did in the case of the Sony-Columbia and Universal-Mitsubishi mergers.

But Hollywood's new rulers could not have assumed such power without help from the pre-existing power of the artist-megastar. If the break-up of the studios created the opening for these "personal" minders and advisers, it also made Hollywood a place where artists' egos now float like dirigibles far above the old studios, while the strings are held by the career adjutants down on the ground.

These adjutants cannot, many critics suspect, suff the air as the best bygone studio bosses did, nor see the further horizons of cinema and popular culture. They feel only the immediate crunch of career opportunity.

Jeff Berg, head of ICM, has heard the bad press before and answers it for me in his penthouse office on Beverly Boulevard. No, he claims: he and his fellow agents are not taking over: "We have no interest in assuming the role of the studios. We are not distributors or financiers or producers."

Yet do they not have great power over what is produced? An agent might tell a studio, for example, Look, you can have Macaulay Culkin for *Home Alone VIII*; but if only you take two of our other stars plus one of our directors and a screenwriter for the same project, Berg says only that: "We are a mechanism process between the gatekeepers of the studios and the world at large."

At this point the telephone rings and Berg picks it up. "Hi, Terry." It is Terry Semel, not so much a gatekeeper at Warner, more President of Motion Pictures. Inspired by this example of spontaneous synergy I walk round to Warner to catch Semel or his fellow supremo at the studio, Robert Daly.

Daly is sitting in a large room with a fish tank and a small army of minders. He has an empire to run and if studios are crumbling, then top-of-the-box-office Warner will be the last one to go. Are agents more powerful today? "Yes, of course. When Bette Davis was under a contract with us, her agent would come in and scream and kick and Jack Warner would say, Goodbye!"

Daly chooses an unfortunate example. After 1949 it was Bette Davis who said the afternoons.

But I take the point - and also Daly's observation on modern times. "Today, if you want Julia Roberts for a new movie you have to woo her agent." And do deals. "They can demand a lot of rights. Most of the time they are asking for more money."

And that money, 90 per cent of which floats up from the agent to the artist, is part of the fine madness guiding modern movie practice. \$12-\$15m per picture plus profit-points is now the going rate for a top male star - a Tom Cruise, Mel Gibson, Bruce Willis or Arnold Schwarzenegger -

Continued on Page VIII

Sunset on a boulevard of inflated egos

The agents control Hollywood and, while the stars have grown bigger, the pictures have got small, writes Nigel Andrews

agent) and a new William Morris Agency took over the talent-handling business and, many people believe, now run the entire film industry. And in recent years they have enabled stars with inflated fees to shape the industry's output.

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MARKETS

London

Tiny, constant point in an uncertain time

Andrew Bolger

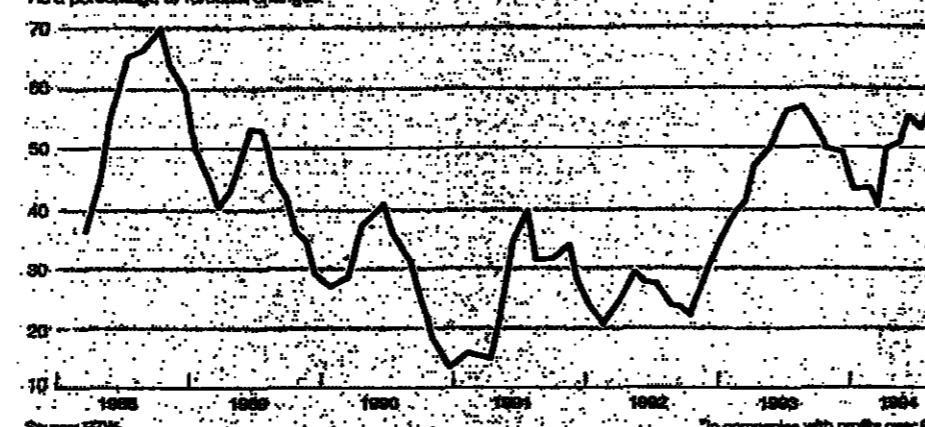
In an uncertain world, there is something almost reassuring about the ability of Tiny Rowland to hang on to his position as chief executive of Lonrho.

An attempt by fellow joint chief executive Dieter Bock to strip the 76-year-old Rowland of his executive duties at the mining and trading group founded when non-executive directors refused to back the German pretender. The £5.5m a year package which Rowland costs Lonrho - including the £2m spent on running the group's Gulfstream private jet - will be scrutinised by the remuneration committee set up by Bock, but Tiny lives to fight another day.

The FT-SE 100 did not prove quite so resilient as the redoubtable Rowland, but still managed to hang on to some of the gains made in the previous week's surge through the 3,200 barrier. Profit-taking and renewed concern about interest rates helped the index shed 34.8 points on Thursday, but

Analysts' upgrades

As a percentage of forecast changes



Source: Euronext

the market finished yesterday to close the week at 3,244 on the week.

In spite of some twitchiness about the timing of the next increase in interest rates, the City continues to be pleased by the strength of the recovery in corporate performance. The chart shows that, of the changes made by analysts to their profit forecasts for individual companies, the proportion which are upgrades rather than downgrades remains consistently above 50 per cent.

The market's performance is all the more impressive, given that the start of the heavy reporting season of interim results included some disappointments. Rolls-Royce, the aero engine and industrial power group, increased profits by 29 per cent, thanks mainly to the effects of cost-cutting and restructuring. But the group said it did not expect to see any improvement in its markets until 1996.

Shares in Reckitt & Colman, the household products and toiletries group, fell after the market sentiment was also

bolstered by news of two large takeover deals, which have important implications on both sides of the Atlantic.

The proposed £1.85bn purchase by SmithKline Beecham of Sterling Health from Eastman Kodak of the US will create the world's biggest consumer drugs business. Pharmaceutical stocks rose as the market pondered the wave of mergers and takeovers which have been transforming the healthcare market. The industry is consolidating in response to pressure from customers - employers who pay health insurance premiums in the US and governments elsewhere - to cut healthcare costs.

The deal doubles the size of SmithKline Beecham's over-the-counter operations and makes it the world's biggest maker of OTC medicines, out-selling Johnson & Johnson of the US. The combined group would have OTC sales of about £2bn (£1.2bn).

The pharmaceuticals companies are also keen to sell formerly prescription-only medicines over the counter because it allows them to extend the product-life of their drugs. This has become increasingly important for the drugs groups because patients on half of the top-selling US medicines will expire in the next four years.

Defence is another global industry which must consolidate in the face of rapidly falling spending by governments. The process took a huge step forward when Lockheed and Martin Marietta, two of the top three US defence contractors, unveiled plans for a £6.4bn merger.

European defence companies

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European defence companies

Serious Money

Keep your eye on the managers, too

Gillian O'Connor, personal finance editor

Hundreds of private shareholders will have cheered as Tiny Rowland once again showed his Houdini-like capacity for survival. Dieter Bock, his fellow chief executive at Lonrho, had planned to strip Rowland of his executive powers in the wake of revelations that he costs Lonrho more than £2.5m a year. But Rowland shrugged off the attack, as he has shrugged off so many in his 33 years at Lonrho's helm.

It is more than 20 years since the early chapters in the Lonrho saga spawned the epithet "the unacceptable face of capitalism". The shares have never been a favourite with professional fund managers since, but many private investors have stuck with their maverick hero through thick and thin. Sadly, their loyalty has not been rewarded. Apart from a couple of brief flickers in the mid-1970s and late-1980s, Lonrho shares have been a remarkably poor investment.

Is Lonrho a typical example of what happens when investors back an entrepreneurial company run by a single domineering figure? Many serious investors prefer to invest in companies which are run by their founders, or by managers who act like owners. Warren Buffett, an outstandingly successful American investor, often takes long-term minority stakes in sound, family-run businesses and likes all managers to have a significant share stake in the companies they manage. His typically homely analogy is with a restaurant where the proprietors can honestly say "We eat our own cooking".

And his favourite investment is in the local furniture store run by its founder, Mrs Rose Blimkin.

But it is just as simplistic to conclude that owner-run businesses make better investments than those run by professional managers as the reverse. There are good and

bad companies in both categories. What really matters to the outside investor is not the status of the company or its managers/owners, but their attitude.

Take a few other examples. Fellow favourite Amstrad had a brilliant start. It gave its high street customers what they wanted at unbeatable prices: its computers worked and were cheap, smart and easy to use.

But the real problem was that Amstrad boss Alan Sugar showed very little interest in the well-being of his outside shareholders. He sold a large part of his own holding before the share price collapsed - and offered to buy out the outside shareholders when the price was on the floor.

Now take Hanson, one of the few founder-run companies which has stayed the course.

Its shares consistently beat the index until the mid-1980s. Since then, though, it has moved broadly in line with the market and it has been a relatively unexciting investment for the past decade. The founders have treated outside shareholders well, but the company has lost the fizz of youth.

Our last company is Marks

and Spencer. Over the past 20 years, M&S shares have done slightly better than the stock market. It is a fascinating example of a company run by professional managers who behave as if they were owners, in the best sense.

The message for investors is that weighing up their managers can be as important as crunching the balance sheet numbers.

□ □

Maverick directors and cowboy companies can appear on any market. But they tend to cluster chiefly on fringe markets - the Over the Counter Market, the Unlisted Securities Market (in its early days) and the Third Market: all had their clutch of black sheep.

This does not mean that all private investors should avoid the new Alternative Investment Market (AIM) planned to replace the USM. It does mean that they should approach it with extreme caution and keep a padlock on their wallet until they can see the whites of the managers' eyes.

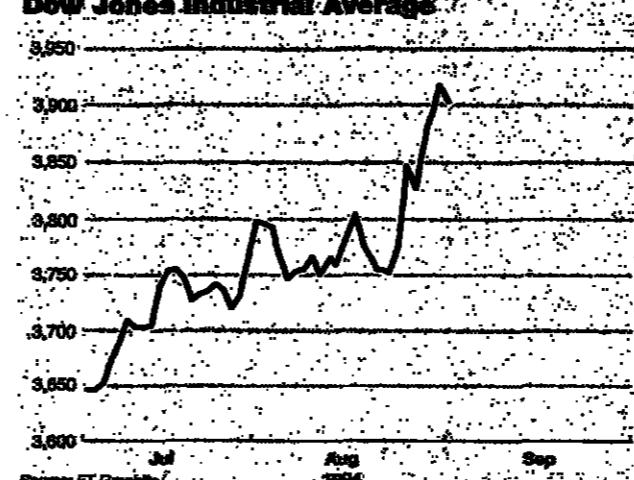
The new stock exchange boss, Michael Lawrence, pointed out months ago that "while companies want cheaper access to equity capital, investors want a similar level of protection to that now provided. These are incompatible requirements". AIM gives the companies cheap access to equity capital with the minimum of red tape. And, already, some bystanders are warning that it could be more dangerous than the OTC.

But the intelligent investor who understands the risks might enjoy spicing up his portfolio with a few carefully researched AIM shares. It appears probable that they will have tax advantages. And fund managers are already launching funds concentrating on AIM shares. Just keep your eyes wide open.

Wall Street

The arbs return, with defence in their sights

Dow Jones Industrial Average



shares higher still, to \$3333 by midday yesterday, nearly a third up on its level before the QVC announcement.

In the healthcare sector, which has seen \$30bn-worth of deals in the past 12 months, two stocks stood out on the arbs' list. Warner-Lambert, a company with a strong over-the-counter drugs business to match its prescription pharmaceuticals side, gained further

attention after the SmithKline deal. Its shares were trading at \$823 yesterday, having started the month of August at around \$85. Marion Merrell Dow, a drugs company majority-owned by Dow Chemical, released a wave of speculation on the arbs' list. Warner-Lambert, a company with a strong over-the-counter drugs business to match its prescription pharmaceuticals side, gained further

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FINANCE AND THE FAMILY

Playing the markets

Simon Davies, head of global investment, Gartmore: The key to most world markets is what is likely to happen over the long term. The first half of 1994 saw bond markets collapse worldwide, pulling equity markets down with them.

In the UK, a dismal performance by the gilt market has prevented equities from recovering positively to higher than expected dividends and better earnings prospects. The gilt market must recover for equities to have any real chance.

In fact, the outlook for long-term rates now looks positive. Inflation looks likely to stay down for some time and may not cross the 3 per cent barrier until the end of 1995.

At 8.5 per cent, gilt yields

This has been a relatively strong summer for UK equities, although the FT-SE-A All-Share index is still about 8 per cent below February's peak. What are the prospects for the UK and elsewhere over the rest of this year and 1995? Scheherazade Daneshkhah asked several leading fund managers for their views.

look attractive, given our view that base rates will not have to rise for some time.

With a bond market recovery, equities should do well. Economic growth should be 3.5 per cent this year and possibly next year as well. Profits should meet or exceed expectations.

We are probably talking about returns of 10 to 12 per cent rather than an explosion, but still an attractive return against deposits or viewed against 2 per cent inflation.

Overall, bonds and equities look a good bet relative to cash.

Overseas, the picture is complicated by the poor showing of sterling, which has boosted the return of overseas assets to date but seems unlikely to be repeated.

The only currencies against which the pound looks overvalued are those in the dollar bloc. Investors could diversify with purchases of US dollar bonds.

Pacific and other Emerging Market equities look good value again after their setback and are also dollar linked.

Overall, bonds and equities look a good bet relative to cash.

David Rosier, chairman, Mercury Asset Management: We remain positive about the UK for three main reasons: the large degree of under-utilised capacity, enabling the economy to grow above trend without provoking inflationary pressures; the likelihood of a significant improvement in public sector finances, so improving the technical position of the gilt market; and a favourable valuation compared with other major markets.

This year has seen a dramatic upswing in sentiment towards Japan, partly fuelled by the underweight position in Japanese stocks of many international portfolios. Anticipated shifts in the economic structure, combined with the opening-up of the domestic Japanese market, will encourage inward investment.

In the Pacific area and other emerging markets, the main risks are the reversal of international portfolio flows and adverse developments in China. But the profit potential now appears more significant than the downside risks.

We remain underweight in the US mainly because the opportunity for outperformance is stronger elsewhere.

Our stance on continental Europe is still neutral due to the likelihood of corporate earnings disappointing expectations, uncertainties in the political arena, and the valuation of its equity markets relative to other regions.

Clive Boothman, managing director, Schroders Unit Trust Ltd:

As far as the UK and Europe are concerned, a combination of relatively pallid consumer demand, spare capacity and continuing low costs, especially wage costs, points to the continuation of a slow growth, low inflation recovery. Consequently, we believe both equity and bond markets represent

year end and 3,850 by the end of 1995. Japan could be a particularly attractive market if local investors are encouraged by further political reforms.

Probably the most exciting returns may be obtained in Latin America.

Brazil could be the star, with gains of up to 50 per cent if the new president, to be elected in October, is able to introduce vital reforms. Gains of around 25 per cent could be possible in Mexico.

South Korea looks the most promising of all the emerging Asian markets, with a possible rise of 25 per cent.

1994 and 7 per cent at the end of 1995, but this is well discounted in the market.

Ten-year bond yields should move lower by end-1994 and even lower by end-1995. Bonds in the UK and France could be especially cheap.

As far as equities are concerned in the UK, Europe and Japan, profits could be showing good increases. However, the US is four years into its recovery and further advanced in the profit cycle, so the best of the increase in profits may have been seen.

If all goes well, the FT-SE 100 index could be 3,500 by the end of 1995.

Michael Hart, chairman, Foreign & Colonial Management: We are taking a fairly optimistic view of stock markets for the end of 1994 and 1995. The key factor is that higher interest rates in the United States have begun to slow down the economy, with the result that stock and bond markets may now be taking a more pessimistic view of the outlook for inflation.

We expect the UK base rate to be 5.75 per cent at the end of

1994 and 7 per cent at the end of 1995, but this is well discounted in the market.

Ten-year bond yields should move lower by end-1994 and even lower by end-1995. Bonds in the UK and France could be especially cheap.

Given all this, we expect the FT-SE 100 index to advance to about 3,400 by the end of this year and perhaps to 3,700-3,750 by the end of 1995. Elsewhere, the picture is more mixed.

We feel the outlook for Wall Street is relatively positive, with recent corporate results indicating that double digit profits growth will be achieved this year. But we are more cautious on the prospects for continental Europe. Valuations

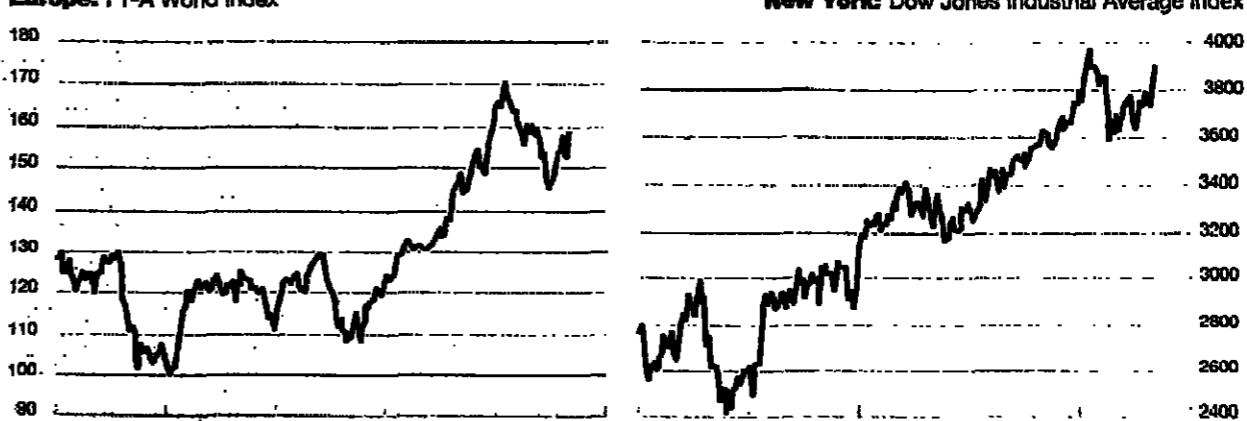
remain stretched, even allowing for substantial profit gains, and this is likely to exercise a restraining influence on the performance of these markets.

Japan may also offer private investors only limited potential over the next 12 months. The economy is gradually emerging from recession but the recovery is likely to be anaemic.

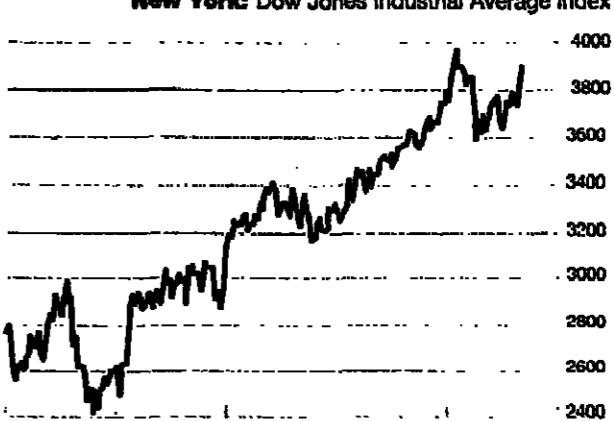
We believe that it is right for private investors to remain committed to equity markets. Our preference is for the UK and US markets, and we would retain a relatively modest exposure to cash and bonds.

■ Continued page VI

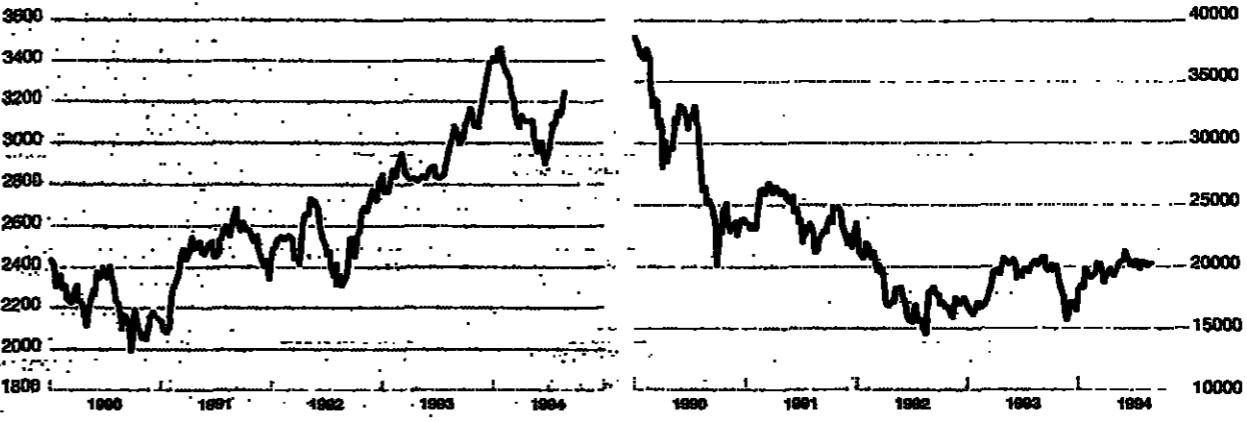
Europe: FT-A World index



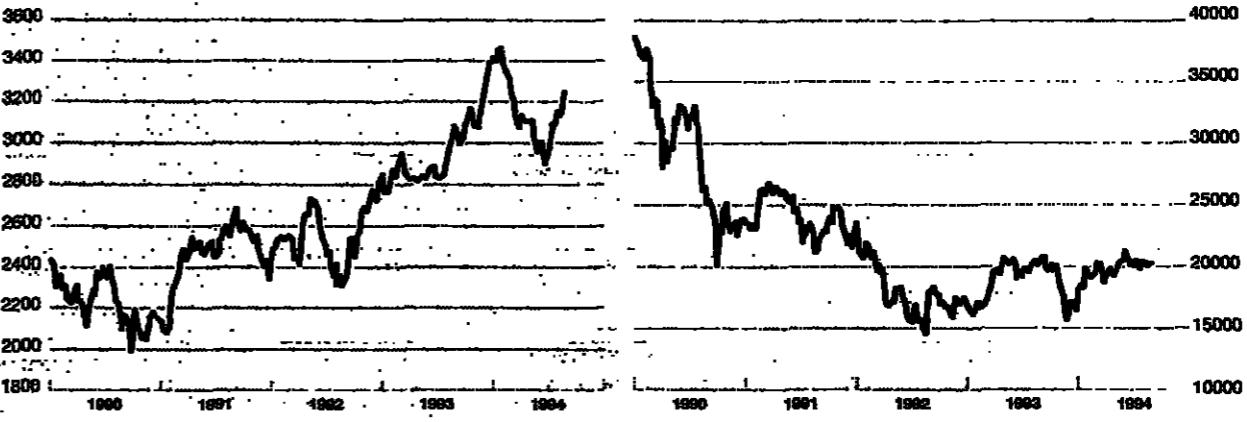
New York: Dow Jones Industrial Average index



London: FT-SE 100 Index



Tokyo: Nikkei 225 index



Source: FT Graphics

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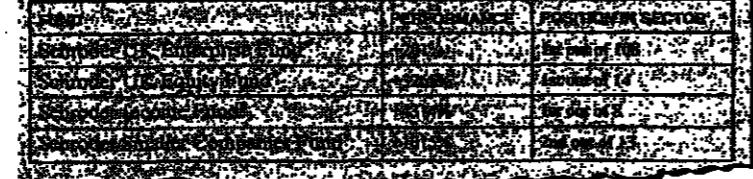
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Source: Microplan offer to bid with gross income reinvested since launch to 22/08/94. UK Enterprise Fund from 01/03/93 and from 01/08/89 +102%; 1/1/96; Smaller Companies Fund from 01/06/79 and from 01/08/89 +14.4%, 30/5/2; Income and UK Equity Funds from 03/01/72 (the earliest date for which Microplan figures are available) and from 01/08/89 +68.3%, 8/94 and +74.1%, 1/90 respectively.

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FINANCE AND THE FAMILY

For aesthetic and investment reasons. I am an avid collector of all sorts of things including paintings, sculptures and interesting items. Now, then, could I resist a lot offered at my local auction, comprising a stuffed armadillo, a crocodile skin, a stuffed alligator, a stuffed marsupial, various wooden Chinese figures and a mule saddle... especially as the catalogue estimated only £40-£60 for it.

Equally intriguing was a similarly priced lot consisting of "two boxes of assorted curios, blowpipes, quivers, early shoes, polished stones, gas masks etc."

Also on offer were "numerous pre-1947 coins and others", estimated at £20-£50. Perhaps I might find a 1933 penny worth more than £25,000. After all, I once bought a small collection of paintings at the same auction.

Directors' transactions

The largest transactions of the week were recorded at two of the giants of the City. S.G. Warburg has a market capitalisation of more than £1.6bn, but its share price has been hit over the past year. Both members have sold, the founder and president. Over the past 12 months, the shares have had a period of considerable out-performance, although this has tailed off over the summer. The sale of nearly 23,500 by Chisham leaves him with more than 127,000. Vivien MacDonald, The Inside Track

Diary of a Private Investor

Anyone for an armadillo?

Kevin Goldstein-Jackson explains why he finds salerooms and their contents irresistible

tion house only to find, when I got them home, that three more pictures were hidden behind one of the canvases.

I enjoy local auctions. They are convivial and informal places where people sit on the chairs to be auctioned while a whole parade of objects is displayed and rapidly sold.

Experts can, and do, find bargains although I have no such insider knowledge: I just buy what appeals to me. But, over the years of auction-going, from the grand venues of London to local salerooms, I

have learned several valuable lessons.

The most important is always to inspect the items before the sale starts. What might appear a flawless piece of china when held up during the auction can, on close inspection, turn out to be a mended item. A painting could look superb from a distance; close up, it might have irreparable damage. Close examination prevents such embarrassments.

Auction customs have changed over the years. In the past, bids have been made by nods, winks, raising a hand or scratching your nose. In many venues today, they are made by displaying a "paddle" — a length of wood or plastic to which a number has been fixed.

Intending bidders register their name and address — and often, for major auctions, their business or banking details — with the saleroom. In return, they get a numbered paddle to raise when they wish to make an offer. Many auction houses use computers to track bids.

The gathering recovery in continental Europe should benefit Burmah Castrol, the lubricants, chemicals and fuels group, which is expected on Monday to report a double-digit increase in pre-tax profits — from £29.5m to more than £100m. The lubricants business is doing well in the US and Asia and the upturn in the German market will at last benefit the metallurgical business of Foseco, which was bought at the end of 1992.

Bowater, the packaging,

printing and coated products group, is expected on Tuesday to announce profits for the half-year to June broadly similar to last year's £102.8m. Consensus forecasts are just over £100m, with a range of £95m to £105m.

Last year's figure, however,

was boosted by an exceptional gain on disposals of £7.5m, so underlying profits growth is expected to be about 8 per cent.

While good performances are likely to be reported from some overseas operations, especially in Australia and the Specialty Coatings International business in the US, many businesses have experienced margin pressures in the first half.

Hillsdale Holdings, the food manufacturer, is likely to report Wednesday a moderate increase in interim pre-tax profits from £23m to about £25m. With trading conditions remaining difficult, the most positive news will come on the financial side. No dividend increase is expected this time

but management comments at the AGM raised shareholder hopes of a year-end rise.

ITZ, the minerals group, is expected to report on Wednesday a steep rise in profits for the first half of 1994, from £18.6m to about £21m-£21.5m on the back of higher base metals prices.

Analysts are anticipating Cookson, the speciality chemicals and metals group, to report on Thursday a rise in interim underlying profits from £27m to about £30m. But the pre-tax figure will be hit by about £50m of exceptional losses, relating mostly to March's disposal of Calder, the engineering business.

BTI, the industrial conglomerate, will provide one of the most important indicators of the capital goods sector when it reports interim results on Thursday. Analysts are expecting a double-digit increase in normalised pre-tax profits to about £260m-£270m, and a 10 per cent rise in the dividend.

Most attention will focus on the group's margins, following concern that manufacturers will find it difficult to pass on the rising cost of raw materials to their customers.

Glaxo, Europe's largest pharmaceuticals group, is

expected to report interim profits up from £1.67m to between £1.88m and £1.95m on Thursday following increased volume sales of Zantac, its best-selling anti-ulcer drug, and buoyant demand for its respiratory products.

The figures, however, could be hit by the group taking some of July's £100m bond losses against first half profits.

Analysts are also watching its dividend policy closely for any signs of concern over patent infringement cases in North America. If, as expected, the dividend is increased sharply to around 27p (22p), that would reflect some confidence of the likely outcome. A maintained dividend could leave the group open to accusations of expecting the worst.

British Gas will report its half-year results on Thursday. Second-quarter results usually show a loss due to a seasonal downturn in demand, and analysts are expecting a net loss of £15m-£21m. Some analysts believe British Gas may use the occasion to elaborate on its future dividend policy.

Earlier this year, the company warned that regulatory uncertainty was threatening its ability to maintain dividend growth. Most analysts expect that the 6.4p dividend will be maintained.

Cadbury Schweppes is expected on Thursday to report some of the best interim results among UK food manufacturers with pre-tax profits up by about £40m to around £200m.

The level of recovery in profits is expected from Sun Alliance,

wrapping and packaging materials to most local auctions.

Before visiting an auction room on viewing day — usually the day before the actual sale — I always get a copy of the catalogue. It is important to remember that the estimated prices given may vary considerably, up or down.

In my early days of collecting, I used to write on the catalogue the limit to which I was prepared to go to acquire an item. I stopped doing this after a charity auction at which a friend kept bidding against me



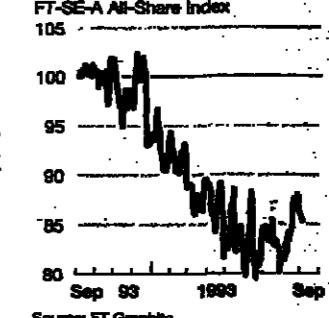
for a painting until it was knocked down to me at my limit.

"Tim sorry I bid against you," I said later. "But I really liked the picture."

"That's all right," he replied. "I didn't want it. I saw you write down your limit for it, so I thought I would help the charity to get a full price for it."

British Gas

Share price relative to the FT-SE-A All-Share Index



Both are expected to show a good recovery, but the level of the rally and the accompanying outlook from the company will be watched with keen interest.

The dividend is expected to be pegged at 3.75p.

RESULTS DUE

Company	Sector	Amount due	Dividend (p)		
			Last year	This year	Int.
FINAL DIVIDENDS					
Admiral	Med	Wednesday	1.8	3.2	2.5
Amcor Trust	Dfn	Friday	0.346	1.29	0.38
Bellwinch	S&C	Thursday	1.0	3.0	1.0
Centex	ReGrn	Monday	-	-	-
Finbury Underwriting	Tuesday	-	-	-	-
Frost Group	Now	Wednesday	-	-	-
Globe	Phrm	Wednesday	2.2	2.7	-
Govt Global Smaller Co's	Int'l	Friday	7.0	150	8.0
Hilti Japanese Smaller Co's	Int'l	Monday	3.5	4.5	4.0
Holland Publishing	Chem	Friday	-	0.7	-
Honey	S&P	Tuesday	5.27	11.48	6.02
Micro 4	Int'l	Tuesday	1.25	2.75	1.25
Row & Mercantile Smaller Co's	Int'l	Friday	-	0.4	-
Row Zigaretten	Int'l	Wednesday	5.25	8.75	5.25
San Alfonso	Int'l	Thursday	-	2.0	-
Tottenham Hotspur	LAH	Friday	-	0.4	-
Walker (Thomson)	Eng	Friday	0.16	0.4	0.18
Wills	Der	Wednesday	0.1	0.3	0.115

PRELIMINARY RESULTS

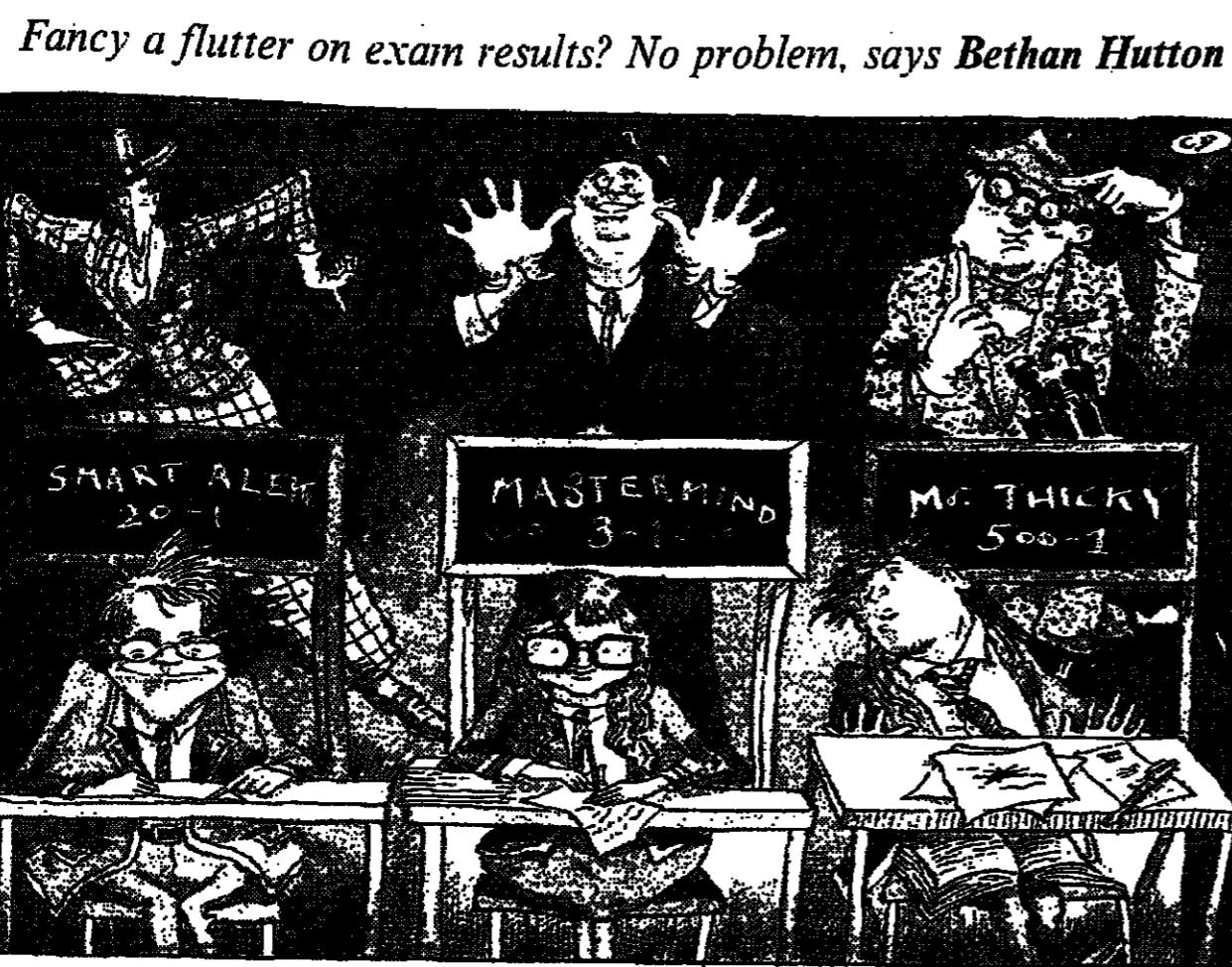
Company	Sector	Year to	Pre-tax profit (000s)	Earnings per share (p)	Dividends per share (p)
Catay International	Health	Mar	469	25.6	-
Johnson Fry Unit Test	Int'l	July	92.1	8.44	7.55
Layland Trucks Mktg	Int'l	April	8,400	-	-
Lex Printing Tech	Eng	Jun	322	1,450	1.7
Lombard Resources	Int'l	July	8,110	18.1	1.58
New London	Int'l	July	3,200	2,070	-
Northgate (London)	Int'l	Apr	4,665	4,740	0.25
Row Group	Int'l	Dec	7,250	6,510	0.4
Verity	EEU	Jun	1,014	6,272	0.4

INTERIM STATEMENTS

Company	Sector	Half-year to	Pre-tax profit (000s)	Interim dividend per share (p)
Affinity & Leicester	Med	Wednesday	1.5	1.5
Admiral	Eng	Wednesday	3.0	3.0
Alliance Resources	C&E	Wednesday	2.6	2.6
Applied	Disc	Tuesday	2.6	2.9
Arjo Wiggins Appleton	PRP&F	Tuesday	2.65	3.65
Avonmore Foods	Food	Tuesday	-	-
Avonmore Group	Eng	Wednesday	2.25	2.25
BBA	EEU	Wednesday	4.85	7.3
Bell (William)	Text	Wednesday	3.55	6.5
Bentley (Jewell)	Chem	Tuesday	-	-
Bentley Shared Services	Chem	Wednesday	2.2	2.2
Bentley Motor Group	Disc	Monday	4.75	5.1
Blaeberry Toys	LAH	Wednesday	-	16.0
Blue Circle Industries	EEU	Thursday	3.75	7.5
Boddington	Food	Wednesday	2.05	2.05
Bowater	Arer	Tuesday	5.3	5.7
Brammer	Disc	Wednesday	4.5	4.5
British Dredging	EEU	Wednesday	2.6	3.0
British Gas	GasD	Wednesday	6.4	8.1
British Gas (Gas)	GasD	Monday	3.65	3.7
Bunzl	Disc	Wednesday	1.8	2.3
Burford	Prop	Tuesday	0.65	0.75
Burnham Control	Off	Monday	16.5	11.0
Burnside	Eng	Wednesday	1.65	1.65
Cadbury	EEU	Wednesday	-	-
Cadbury Schweppes	EEU	Wednesday	2.8	4.9
Cadentum	Food	Friday	-	3.6
Cambridge	Text	Wednesday	1.2	1.5
China Communications	Med	Tuesday	-	10.5
Church & Co	Text	Wednesday	3.25	4.75
Coats Vynalex	Text	Monday	-	1.5
Comet Computer	EEU	Wednesday	3.0	3.3
Compton Group	EEU	Wednesday	3.0	3.3
Compton Group	EEU	Friday	1.5	1.5
Compton's (London) Trust	EEU	Wednesday	2.7	3.8
Enterprise Group	EEU	Wednesday	2.7	3.0
Enterprise Oil	Oil	Monday	9.5	9.5
Enterprise Capital Inv. Trust	Prop	Tuesday	-	0.5
Expert International	Eng	Monday	1.25	1.25
Fairhaven International	EEU	Wednesday	5.5	13
Fairhaven Shared Equity Trust	Int'l	Friday	2.4	4.6
Farmers Group	EEU			

FINANCE AND THE FAMILY

You can bet on it!



When the GCSE school examination results came out last month, one Manchester mother and daughter had much to celebrate. The daughter got 10 A-grades and her mother won £150 from a bet on the outcome.

Putting money on a child's academic success might not appeal to everyone - it could put unwelcome additional pressure on a nervous candidate - but every year, a few parents choose to have a flutter.

Bookmaker William Hill started offering odds on exam grades a few years ago when a 15-year-old boy studying for GCSEs asked to lay a bet on his own chances. He was refused - betting is illegal for under-18s - but his father then staked £50 at 20-1 that his son would get all A-grades.

Then the boy's headmaster also placed a bet - and with such confidence from those

with inside knowledge of his form, it was not surprising that the boy turned out a winner.

Since then, the typical odds have narrowed. Graham Sharpe, at William Hill, gave the bright Manchester girl odds of 3-1 after seeing her latest school report and mock GCSE results. But given that about 80 per cent of bets on exam results are successful, Sharpe's odds may still be on the generous side.

Another winner this year was a father whose son arrived in the UK from the former Yugoslavia only in May 1992 but still managed three grade As at A-level this summer.

Winnings usually end up in the hands of the successful youngsters, perhaps as a cash bonus or in the form of a new bike or holiday. If you had planned to wave a £50 note or two in front of your child as an incentive for diligent revision, then placing a bet could be one way of doubling or even tripling the potential reward. If, however, your child slipped one grade but then demanded a reward for all the effort, anyway, you might regret having staked the money.

As with all wagers, there is a tax of 10 per cent. You can decide whether to pay it when you lay the bet or run the risk of paying 10 per cent of your winnings.

If your children's talents lie in other directions, you can find bookies willing to lay odds on sporting prowess or almost any other achievement.

Sharpe was contacted recently by parents wanting to bet that their son would play rugby for England. Any win would be a long time coming, though - the lad was only 17 days old.

At that age, the odds offered can be spectacular: perhaps 10,000-1 or more. But when the child is older, and has had the chance to show it has some footballing talent, they drop quite sharply.

Even so, most parents betting on their children's sporting success get only entertainment value from the bet. But, six or seven years ago, Sharpe accepted £200 from a proud father who wagered - at 500-1 - that his son would win the 1,500 metres race at the 1996 Olympics.

That boy is Curtis Robb who was, at the time, just another good teenage runner. Since then, though, he has become a leading athlete who ran in the 800 metres at the Barcelona Olympics two years ago. Sharpe is now confronting the real possibility of having to pay out £100,000.

So, if you cherish dreams of your son or daughter winning an Olympic gold or getting into parliament, there is nothing to stop you backing the dream with a little cash. It might be a very long shot - but how many other investments could pay out £100,000 after 20 years for a one-off £200 premium? Just be sure you don't lose the betting slip.

The Professionals

Looking to the long term

Joanna Slaughter sums up her series on private client fund managers

The investment managers profiled over the past 10 weeks differ on asset allocation, stock-picking and the use of derivatives and the management of a private client relationship. But none would dissent from the view that Big is Beautiful. Indeed, size is their most seductive sales pitch.

Certainly, it bestows benefits that more modest investment houses cannot provide. There is much advantage to be had in pointing out that the portfolio managers who look after private clients draw on the same research and global investment resources as the managers who run billions of pounds of institutional money.

Size also provides a great degree of security for the assets of private clients, along with capital resources for the systems and manning levels needed to provide customers with the attention they want. After all, those who go to the investment equivalent of Savile Row expect both a bespoke suit of financial clothes and first-class service.

Accordingly, many of the largest firms are able to devote considerable resources to matching the client to the fund manager, and to ensuring that an administrator is a lead player in the private client team, not a tail-end Charlie. As David Rosier, the chairman of Mercury Asset Management (the investment management arm of the S.G. Warburg Group), put it: "People can understand that you don't always get that extra bit of performance, but they can't understand if you don't spell their name right or if they don't receive their dividend cheques."

Although the investment styles of the large fund management firms vary, private clients will find that a top-down investment approach is common. Most managers view the right asset allocation as central to managing portfolios - and asset allocation processes are highly disciplined.

The investment management of private client portfolios also tends to be controlled tightly, and many management firms

Investment managers: factfile

Portfolio manager	Minimum portfolio investment (£000s)	Minimum annual fee	Private client funds under management (£000s)
Schroders	£2,000	£20,000	£1,300
Mercury	£3,000	£2,000	£2,900
BZW	£250	£1,500 discretionary £2,000 advisory	£1,300
Kleinwort Benson	£200	£1,500	£2,600
Fleming	£100	£1,500 fee basis	£2,700
Cazenove	No fixed minimum	Commission basis	£3,000
Bairns	No fixed minimum	£10,000	£2,900
James Capel	£100	£750	£4,500
Rotheschild	£500	£5,000	£894
Credit Suisse	£100	£1,000	£1,000



The City in 1897... many firms retain the old values

run white and black lists of stocks. The freedoms allowed to individual managers within these lists vary but, overall, most firms might well agree that their investment style was long-term, cautious and conservative.

Although portfolio management starts from the premise that the client is king; not all firms allow their clients to be absolute monarchs. Indeed, in flexibility, some of the blue-chip investment management outfits compare badly with more modest rivals.

Some managers run model portfolios, however, and firms increasingly are offering a unit trust that replicates the portfolio of a private client portfolio. This fund acts both as a shop window for the firm's investment

skills and a way of appealing to the smaller investor market.

The big question is whether the intimate relationship between client and manager, the services offered, and the investment results achieved by the private client division of a huge investment house are enough to justify what are, in some cases, very high minimum investment requirements and stiff management fees.

Certainly, exclusivity can come at a price that only a niche market of investors can afford. Tim Keown, director of £125m Ely Fund Managers, points out that many of the leading investment managers are declining to consider large numbers of private clients if they are looking for managed portfolios of equities.

Keown adds: "There is a large chunk of the private client market where the average family or individual has investment capital of £50,000 to £400,000. They want a discretionary service and a genuinely reliable personal relationship at partnership level."

In the main, that certainly is not the market that the big investment managers are chasing. They want to attract more investors into their unit trusts; but most believe that future expansion of their private client numbers will come from "new" money - the fruits of entrepreneurial activity - and from overseas clients.

FINANCIAL TIMES WEEKEND SEPTEMBER 3/SEPTEMBER 4 1994

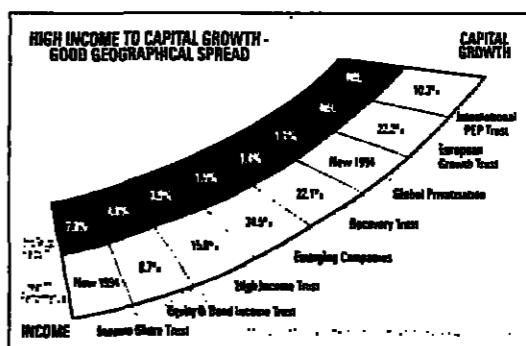
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INCOME SHARE TRUST

PERFORMANCE (Launch 18.4.94)

	1 YEAR	3 YEARS	5 YEARS
HIGH INCOME	15.0%	62.2%	51.6%
MICROPAK (SC Inc. Share)	-0.8%	-	-
	18.9%	1.1%	-0.8%

ASSET ALLOCATION (8.8.94)

	UK Equities 5%	UK Bonds & Cash 17%
	5%	17%

	UK Income Shares 7%		HIGH YIELD
FUND SIZE	£12.6m		£12.6m
GROSS YIELD (8.8.94)	7.2%		7.2%
DISTRIBUTIONS	2/3 2/6 2/9 2/12		2/3 2/6 2/9 2/12
INITIAL CHARGE	5.0%	2.9%	5.0%
ANNUAL MANAGEMENT CHARGE	1.0%	1.2%	1.0%

HIGH INCOME TRUST

PERFORMANCE (Launch 2.10.78)

	1 YEAR	3 YEARS	5 YEARS
HIGH INCOME	15.0%	62.2%	51.6%
MICROPAK (UK Equity Inc.)	8.0%	48.4%	40.4%

ASSET ALLOCATION (8.8.94)

	UK Equities 5%	UK Bonds 12%	Services 15%	Financial 10%	Consumer 22%
	5%	12%	15%	10%	22%

	General Mgmt. 28%		GENERAL MANAGEMENT
FUND SIZE	£15.1m		£15.1m
GROSS YIELD (8.8.94)	3.9%		3.9%
DISTRIBUTIONS	3/1 3/6 3/9 3/12		3/1 3/6 3/9 3/12
INITIAL CHARGE	5.0%	2.0%	5.0%
ANNUAL MANAGEMENT CHARGE	1.0%	1.5%	1.0%

RECOVERY TRUST

PERFORMANCE (Launch 5.2.81)

	1 YEAR	3 YEARS	5 YEARS
RECOVERY	22.1%	100.6%	11.9%
MICROPAK (UK Growth)	9.0%	45.0%	30.4%

ASSET ALLOCATION (8.8.94)

	Consumer 10%	Financial 15%	Mac. Extractions 17%	General Mgmt 24%
	10%	15%	17%	24%

	FUND SIZE	GROSS YIELD (8.8.94)	DISTRIBUTIONS	INITIAL CHARGE	ANNUAL MANAGEMENT CHARGE
	£5.2m	1.4%	1/6 1/12	5.0%	1.0%

*100% scaling scale of unit charge

You already know Guinness Flight for bond and currency funds. But did you know that we have a 13 strong equity management team? And that we manage 26 separate equity funds covering both general and specialist sectors (8 of which are PEP unit trusts, with 4 being highlighted above)?

To find out more about our unit trusts

FINANCE AND THE FAMILY

Why the UK can be the world's best tax haven

The catch is that you need to be resident but not domiciled.

Some might find it hard to believe - but the UK is the best tax haven in the world if you are resident but not domiciled.

UK legislation takes into account two factors in taxing individuals:

■ Residence, which is determined by how much time you spend in the country.

■ Domicile, a common law concept which has nothing to do with either residence or nationality. In effect, it is the country you consider to be your "home".

If you are resident in the UK but domiciled elsewhere, you will not have to pay tax on profits - whether income or gains - made abroad unless you bring them into the UK. Nor will you have to pay inheritance tax on any assets or investments you own abroad for the first 16-17 years.

Indeed, you can reside in the UK tax-free if you own or earn nothing in the UK; keep all your investments abroad; and bring into the UK only "pure" capital. That is, money to which neither income nor capital gains made while resident in the UK has been added.

There are many ways in which profits can be separated from capital so that they are left offshore, with only the capital brought to the UK. One is for pure capital to be deposited in an offshore bank account (account 1) with all the

income mandated to a separate offshore account (account 2). Money can then be brought to the UK from the first account without having to pay income tax.

The usual difficulty is finding pure capital. So, the best time for you to do any tax planning is before you arrive in the UK or just after you have received an inheritance or substantial gift.

There are some ways in which income can be converted into pure capital. Investment income - such as the interest in account 2 - can be converted if, immediately before the

beginning of the tax year on April 6, account 1 is closed down and the money transferred to a new bank account. The interest earned on account 1, which is sitting in account 2, can then be brought into the UK in the new financial year free of income tax.

Converting investment income abroad into tax-free sums has been done by many people for many years. But it works only with investment income, not earned income, and then only for those with an eye for detail.

One woman, of whom I know,

How to minimise your obligations to the taxman

Paulo has arrived from Italy to set up a business in Britain through a UK company. He is UK resident but not domiciled. What should he do to minimise his tax obligations?

■ Capital gains tax

To escape CGT, it is better for him not to own the shares personally but through an offshore trust. Any gain made on selling the company into the trust before the 17 years, the arrangement could continue indefinitely. It might, however, backfire for income tax purposes. If the income was brought back to the UK, it could be taxed without any allowance for the tax credit on the UK dividend.

be well advised to own this company through an offshore company, he is UK resident but not domiciled.

This advantage would stop once he had been resident in the UK for 17 of the previous 20 years. But if he had placed his offshore company into a trust before the 17 years, the arrangement could continue indefinitely.

It might, however, backfire for income tax purposes. If the income was brought back to the UK, it could be taxed without any allowance for the tax credit on the UK dividend.

You might wonder why the law is not changed to catch long-term UK residents who live tax-free.

The reasons are simple. The government has admitted that it does not make economic sense to change the law for non-UK domiciled British residents since, for practical purposes, the tax advantages are

thought she was operating the scheme successfully until the Inland Revenue asked her for proof. It was only then that she discovered her bank offshore had been operating only one account, to which both income and gains had been added regularly.

The woman, who had been bringing substantial sums from this account into the UK, had no option but to pay a significant amount of tax plus interest and penalties.

If you are lucky enough to be non-UK domiciled but UK resident with substantial funds, it is usually easier to set up one or two trusts offshore. The trustees then can be responsible for making sure the income is removed from the trust funds and kept offshore, and that only pure and untaxable capital sums are brought into the UK.

The other big advantage, if you benefit from a trust set up by someone not domiciled in the UK, is that all gains made in the trust are tax-exempt - even if they are brought into the UK later. This is true even for gains made in the UK.

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Be sure to keep records

Tax inspectors, like birds of prey, wait for their victims to make a mistake. In many cases, people coming to the UK take detailed advice on arranging their affairs only to find, several years later, that their plans have not been implemented properly.

This can be caused by complacency, coupled with ignorance of the small print of the tax legislation - or by new rules that are overlooked. The result is rich pickings for the Inland Revenue.

It is becoming increasingly common for inspectors to harass taxpayers, whether they are UK-domiciled or not. Quite often, tax is not due - but the documentary evidence to prove it beyond doubt is lacking. The victim is, therefore, pressured into paying some tax simply to avert the stress of a full-scale investigation.

So, if you want an offshore structure to be tax-effective, it is crucial to have regular meetings with your UK tax advisers and make sure that proper records are kept.

£50,000 fine on IFA

Knight Williams hit for breaches of Fimbra rules

Knight Williams, an independent financial adviser, was this week fined £50,000 for breaching 10 Fimbra rules; these included issuing misleading advertisements and failing to maintain proper client records. In addition to the fine - the second-largest imposed by Fimbra, the self-regulating body for IFAs - the company was ordered to pay £24,000 costs.

Kenneth Jordan, head of the 255-member Knight Williams Investors' Action Group, said:

"The fine is derisory. What is

invigorating is that Fimbra has

finally done what it should

have years ago."

Knight Williams, which specialises in giving advice to the elderly and retired, was the subject of an early day motion in the House of Commons in July. This referred to the number of complaints received from MP's dissatisfied constituents.

Inflation fears are most pronounced in the US which is hardly surprising - it is now entering its fourth consecutive year of growth and so spare capacity is inevitably becoming scarce.

However, the series of pre-emptive interest rate rises seem to be slowing growth and we predict that US inflation will show only a modest rise to just over 3 per cent.

Increasing evidence of low inflation is stabilising the bond and equity markets already and should give them some scope to rise.

Stability in the US bond markets will be especially good news for the emerging markets of the Pacific and Latin American regions and should begin to allow their strong economic growth potential to be once more reflected in rising stock markets.

Dick Barfield, chief investment manager, Standard Life.

Economic growth in the UK is well under way; although consumers are not racing back to the shops, we are spending a little more than last year.

Companies are benefiting from lower unit costs and increased productivity. Earnings and dividend growth are, so far at least, justifying the confidence shown by market ratings and I expect this to continue.

Inflation is still weak. I do not think the government will find enough reasons to raise interest rates far from where they are now.

The Chancellor will not stifle a recovery that has yet to translate into a "feel good" factor so I will assume a business-friendly Budget.

Despite the decline in markets since February, equities are still quite highly valued against bonds. Although we expect bonds to stabilise in the face of continuing good inflation figures, the tide has turned for bond markets. This will undoubtedly restrain equities.

For similar reasons, the US and continental Europe will not produce outstanding returns for equity investors. The Far East - and, in particular, Japan as recovery there gains momentum - will move ahead quite well.

My verdict for the FTSE is around 3,400 at the end of 1994 and above 3,600 by end-1995.

should organise and control its internal affairs in a responsible manner, keeping proper records". The firm should ensure that staff employed to conduct investment business are suitable, adequately-trained and properly supervised, and that it has well-defined compliance procedures".

SIB added that, along with Fimbra, it would stay in close contact with Knight Williams regarding the firm's handling of complaints. Dissatisfied clients wanting to make a complaint should first address it to the company.

Most of the Fimbra charges covered failings in client files; these included an inability to demonstrate that the firm had adhered to the *Know Your Client* and *Best Advice* rules.

Financial advisers must be able to show they have given suitable advice to clients based on a knowledge of their investment requirements and financial circumstances.

Other charges included issuing advertisements containing "inaccurate and misleading information"; "issuing an advertisement that was clearly not an advertisement, and which was clearly capable of being taken as a news item or editorial matter"; and "issuing a comparison or contrast which was not clearly based on facts verified by the issuer,

was not presented in a fair and balanced way, and which omitted material items".

Knight Williams, which has 24,000 clients, says it will be writing to investors whose files were criticised and will also try to identify those clients who responded to the advertisements cited by Fimbra.

The company would not say how many clients were involved.

In a written statement, managing director John Williams said: "We are naturally concerned about being censured by our regulator - it is a serious matter." The fine will be paid out of dividends to the firm's three shareholders: Robin Knight Bruce, John Williams and Stephen Prescott.

The Action Group is due to meet SIB later this month.

According to Jordan, who lost his own case against Knight Williams at arbitration: "We hope to come to an arrangement to increase the chances of small investors getting a good deal."

Jordan, who favours conciliation rather than the Fimbra arbitration process, added:

"Arbitration is weighted in favour of the IFA because they have the financial and legal muscle to present their case."

Scheherazade Daneshku



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FINANCE AND THE FAMILY

Private health cover spreads

Bethan Hutton finds that Bupa remains the biggest but Norwich is making its mark

On in nine people in the UK is now covered by private medical insurance, according to research by market analyst Euromonitor. It says the UK will spend £1.4bn on medical premiums this year and predicts the figure will have reached more than £1.5bn by 1998.

Spending on premiums rose by 46 per cent between 1989 and 1993, while the amount spent on advertising surged during the same period: up by 126 per cent to £12.9m in 1993. Much of this was spent as the British United Provident Association (Bupa) battled to retain its dominant position and Norwich Union launched a growing range of plans.

Bupa still has the largest share of the market, with 46 per cent, followed by PPP with 28 per cent. Figures from specialist health analyst Laing & Buisson show that Bupa's market share has fallen from 59 per cent in 1985.

Newcomer Norwich Union, which started selling medical insurance only in 1991, has taken 8 per cent of the market already and overtaken the Western Provident Association to become the third-largest provider of private insurance.

L&B's latest report shows that an estimated 6.56m people in the UK have private cover, which is a slight fall from the peak of 6.63m in 1990. The decline is

thought to have been caused mainly by the recession and steep premium increases. These have slowed, from 6.9 per cent above inflation in 1991 and 9.7 per cent in 1992 to 8.2 per cent in 1993. But L&B says that, despite the success insurers have had in controlling costs, premiums are likely to continue to rise faster than inflation for the rest of the decade.

Euromonitor and L&B both expect the market for private medical insurance to start expanding again over the next few years as worries over the National Health Service continue and new products make private cover more accessible. L&B projects from present

trends that almost 17 per cent of the population - or 9.8m people - could have private insurance by the year 2000, compared with just over 11 per cent today.

Several new types of policy have appeared, particularly at the low-cost end of the market. This started with PPP's introduction of the first "six-week wait" policy in 1978; this paid for private treatment only if the NHS waiting list was longer than six weeks. Since then, helped by all the publicity about long NHS waiting lists, six-week plans have spread throughout the market. Other plans restrict cover to in-patient treatment or certain types of hospital

care.

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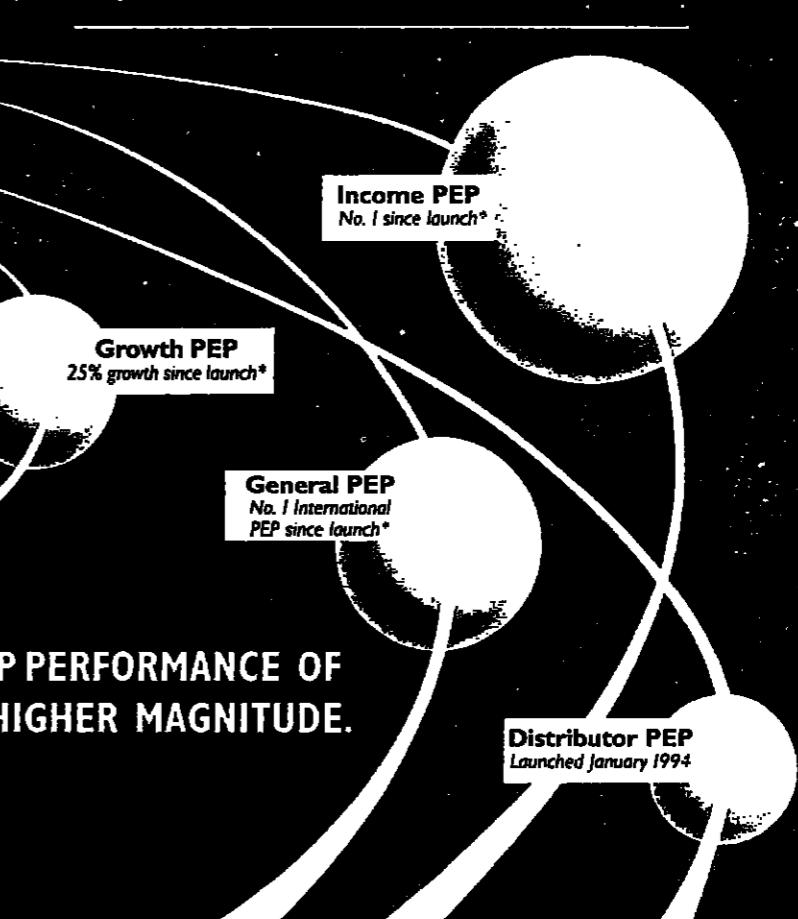
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PERSPECTIVES

As They Say in Europe

Confused by the lessons of war

There was a fairly interesting editorial in the London *Sunday Telegraph* last week on the subject of crime and punishment. An Anglo-Saxon obsession these days. Its main thrust, if I understood it, was that in western societies the (criminal) enemy at home resembled the enemy abroad of past times, that is to say Germany. And enemies have to be severely punished, not understood. That was aimed at Tony Blair, the leader of the Labour Party, who once said he would be "tough on crime and tough on the causes of crime".

The *Telegraph* said the background to criminal behaviour should be a secondary matter of concern and concluded with a reference to 1944: "Germany's illegalities then, as again in 1939, were defeated by force, not by inquiring into their causes".

This argument suggests bizarre conclusions and on this day, the 55th anniversary of the outbreak of the second world war, it is worth seeing what they are. Let us start with the Great War, which *Le Monde* celebrated all last month with a series of illuminating studies of lesser known aspects of that event. One of the last pieces was headlined, "The army distressed by a beaten and shocked Germany".

It dealt with the reception given to the armies of the Kaiser on their return to the Fatherland in November 1918. The army believed it had not been beaten. The last message of the commander, Field Marshal Hindenburg, read: "Thanks to victorious attacks as well as determined defence we have been able to keep the enemy far from our borders. We have saved our country from terror and destruction."

The population disagreed and greeted the soldiers with hostility, which *Le Monde* called *la fete refusée*. The troops believed they had been sold out by traitors at home. Then came the Treaty of Versailles which, in another

sides suffered substantial losses. But, having read *Le Monde* just a day before, one was struck by a resounding fact: how different things were in 1945 from 1918. At the end of the second world war no German could think his country had been spared "terror and destruction" nor could he think it had not been defeated. And Germany, as the FAZ implicitly pointed out, suffered a similar fate to that of its victims in the second war.

One conclusion might be that we must all thank Lord "Bomber" Harris for half a century of peace in western Europe. The controversial head of the Royal Air Force is regarded as a war criminal in some circles in Germany because it was he who implemented the policy of so-called carpet bombing of German cities. But one must recognise that Germany, where memories of the raids are as vivid as ever, has presented no threat to anybody for the first time in 100 years. And still does not today.

That looks like one up to the *Sunday Telegraph*. Yet there is another side to the story. After the second world war there was no Versailles. Germany, at least the western bit, was given a shiny new constitution and pot of money. No huge fines, no isolation from the community of nations, instead a willingness on the part of the victims to learn from their past mistakes.

If there is a lesson in terms of domestic law enforcement in all this, which is doubtful, then it is a peculiar one. The police should be extravagantly violent in their pursuit of the criminal, but the judicial agencies must exercise extreme leniency in the imposition of penalties. In other words, in English terms, the accused should be beaten up in the remand cell before the trial and given an unconditional discharge after it.

James Morgan is economics correspondent of the BBC World Service.

But the *Frankfurter Allgemeine Zeitung* celebrated the anniversary of the liberation of Paris in an unusual manner. One item stated: "In this year there is no end to the commemorations of the events of 50 years ago. They will continue until May 1995. Fifty years ago many in Europe experienced horror."

In Germany it was above all the allied bombardment which the people had increasingly to suffer. Almost every day towns were the target of heavy attacks, some places were bombed again and again, for example Kiel with its harbours and U-Boat depots. Not only were military installations hit by the allied air fleets, but also, systematically, residential districts. What happened in one such attack is reflected here in the matter-of-fact words of the record kept in the war diary of a marine auxiliary on August 26 1944.

The report was a hair-raising account of nearly six hours of heavy bombing in which both sides suffered substantial losses. But, having read *Le Monde* just a day before, one was struck by a resounding fact: how different things were in 1945 from 1918. At the end of the second world war no German could think his country had been spared "terror and destruction" nor could he think it had not been defeated. And Germany, as the FAZ implicitly pointed out, suffered a similar fate to that of its victims in the second war.

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James Morgan is economics correspondent of the BBC World Service.



The perfect match: Linda Harrison and David Buck, with visiting cricketers at the Old Vicarage hotel in Hampshire

Brendan Cox

Minding Your Own Business

Sales pitch that fills rooms

Tim Minogue visits a hotel that found success by creating its own cricket square

Enouraging parties of amateur cricketers to leave their wives and girlfriends at home for several days and stay in a hotel with a 24-hour bar sounds like a recipe for disaster. Hoteliers of a nervous dis-

position might imagine fragile profits shattering along with the crockery in the course of boisterous boys' nights in.

In fact, concentrating on

catering for amateur cricket tours proved to be the salvation of Linda Harrison and David Buck's hotel business.

The couple, who both

worked in marketing and conference organisation, impulsively purchased a 15-year

lease on the seven-bedroom Old Vicarage Hotel at Hinton, Hampshire, for £72,000 in 1992.

The business was in receiver

status, having lost £88,000 in the previous year. What made

Buck and Harrison believe they could succeed where others had failed?

Harrison, who is 43, says: "None of the partners worked here. The restaurant had a bad reputation. There was little control over costs and the marketing was unprofessional."

Having cut costs and raised standards, Buck and Harrison played on the hotel's strengths: a quiet rural location, 10-acre garden, in the New Forest yet only a mile from the sea. Mailshots targeted potential customers. Yet, at the end of their first season, they were struggling to break even.

Buck, 42, says: "We realised that whatever we did, we were not going to make a living out of British holidaymakers."

Foreign visitors loved the place, but usually only stayed a night or two.

and Portsmouth gave some tips on basic goodnights. An advertisement in the local paper produced a nucleus of players for a revived Hinton Admiral CC - there had not been a team in the village since the 1970s - and others of neighbouring field with the idea of using it as a car park for wedding receptions. When he had cleared the chest-high nettles, however, Buck realised that he was standing in the middle of what could become, with imagination and hard

work, a cricket square.

"What we needed," says Har-

ison, "was to find a niche -

something no one else in the

Forest was doing - that would

guarantee room occupancy

during the week."

In the summer of 1993 they

took a lease on an overgrown

neighbouring field with the

idea of using it as a car park

for wedding receptions. When

he had cleared the chest-high

nettles, however, Buck realised

that he was standing in the

middle of what could become,

with imagination and hard

work, a cricket square.

The couple believe that only

two or three other hotels in

Britain have their own cricket

pitches. It is proving an attrac-

tive asset for corporate enter-

tainment. Plessey, Lloyds Bank

and Chase Manhattan Bank

have all held staff cricket

matches and barbecues at the

Old Vicarage; another com-

pany plans to use the ground

for an archery day.

Harrison says: "The cricket

enables us to plan ahead. We

know we will have that cash

flow in a year's time."

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pany plans to use the ground

for an archery day.

Buck and Harrison expect to

make a small profit this year

on a turnover of about

£130,000.

A bonus for Buck is that he

gets to be captain of his own

cricket team. He can afford to

be more philosophical about

losses than most skippers: "I

like to see our visitors go home

happy. Anyway, when they've

won, they spend more at the

bar."

The Old Vicarage Hotel,

Lymington Road, Hinton, nr

Christchurch, BH23 7DR. Tel:

0225 277006.

Tinseltown's lost lustre

Continued from Page 1

with top women such as Roberts trailing gamely at \$3m.

So the star, having broken free from the old-style studio's ceiling wages and being further flattered by the ministrations of his publicity people, suddenly commands both the ego and the capital to initiate his projects.

However much the star's advisers may demure, dreadful films such as *Hudson Hawk* and *Ishtar* and *Last Action Hero* get made. And although the ego may land with a thud, the agents get their upfront "packaging" commissions and 10 per cent. And the star - such is the militarised power of modern Hollywood hype - is up and flying again before you can cry "Variety charts!"

The great virtue of the old studios was that ego were kept in check. People knocked under to the next film on the contract. And when they bowed to the studio's routine publicity demands, it was to a general defiance quite unlike the torion of today's PR work. As Deborah Kerr once remembered for me: "They would wheel us out for an hour or so to pose for magazine covers - green background for this magazine, pink for that one - or to chatter about how we kept our cold cream in the ice-box. Then back to

being known as 'sup-press' agents for their ability to preserve this myth of unattractability.

So big Hollywood movies, powered by their stars' artificially-generated rarity value, are made to seem like visitors from an extraterrestrial. It hardly matters whether the films themselves are good or bad; their rarity value invariably makes them an "event". And when the star deigns to fly to Earth once a year to open his new film, the PR people surround him and the picture with an entire ecology of support too gaudy. *Braveheart* T-shirts for Jim Burrow/Nicholson's offering, *Flinstones* toys for Spielberg's latest; a whole playroom arsenal for Arnie's new actioner...

Edward Pressman, the independent producer who has rolled out high-visibility films as diverse as *Conan The Barbarian*, *JFK* and *Reversal Of Fortune*, thinks the age of the ego, encouraged by agents and publicists, has its compensations. "There



John Goodman as Fred Flinstone

is a level of talent and idiosyncrasy that didn't exist in the old Hollywood," he tells me. "You could say the quality of mainstream movies that the studio factories made was more consistent. But it's compensated for today by a lot of films that would never have been made then: experimental films, ones that break the mold."

Point taken; but it applies more to the low-cost end of the market than the high. (*Even Schindler's List* was a shooting operation by Spielberg standards.) What we have at the high end is star egomaniacs eternally demanding more money, via the agent, and more image-enhancement, via the publicist.

In a word, hype. The same hype that causes millions of gullible film fans to flock to movies like this summer's movies *Armageddon* or *Star Wars* - or *Reversal of Fortune* - that no one realises - until they have paid \$100m to push *The Flintstones* or *Mars Attacks!* into profit - that the films are as imitative, overblown and perishable as carnival floats.

What do the agents care? They take the money (up-front) and run. What do the publicists care? The triumph of their art is written in the ledger books. And what does the "talent" care? It thinks it is God anyway. Everything tells it so, from the people it employs, to the film-goers hyped into overpaying for its films.

If it is a mad world, it is one with its own dismaying logic. When MGM mogul Louis B Mayer saw trouble coming back in those star-embracing 1940s - "The studios are taking over the pictures" - little could he have guessed at the perfect mutual support which would evolve decades later, between those humdrum and their *Lotusland* lackeys.

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PERSPECTIVES

The sentimental way to pick a Rose

Lucy Kellaway visits Tralee and watches a 23-year-old capture one of the most bizarre prizes on offer to women in the 1990s

She is a 23-year-old with ginger hair, a job in tourism and a liking for padded party frocks in blue satin. She was head girl at her school in Limerick, is a dutiful daughter and is looking for a husband strong enough to carry the harp that she plays for charity.

This admirable young woman has just become the owner of a gilded crown studded with fake emeralds and diamonds and a large ornate glass trophy. Muirne Hurley is what every pure young Irish lass would love to be: the 1994 Rose of Tralee.

This must be one of the most bizarre prizes on offer to women in the 1990s. The beauty contest, now in its 36th year, is open only to those of Irish extraction. The winner is supposedly chosen not for her vital statistics, but for her ability to "just be herself" – whatever that means.

Nevertheless, there was not a single fatty, nor a set of buck teeth among the 1994 crop of 32 competing Roses. They had come to Ireland from all over the world – from the US to Dubai to New Zealand.

Their parents may have escaped from Irish poverty, but their offspring are destined to return, gushing over the charms of the mother country in the hope of winning the title. Most of them were more than bimbos: some had a university degree, others were tax consultants, investment advisers, vets, and journalists.

Yet each was prepared to stand on the stage and simper alongside Gay Byrne, a 60-year-old smoothie who is the best loved personality on Irish telly.

Comfortable in their vulgar array of evening attire, they cheerfully replied to Byrne's questions about whether they had boyfriends, and what their daddies did for a living.

Those who could, then did a little jig, sang a song or recited a poem. Even those who could not had a go: one gave an alarmingly flat rendering of *The Streets of London*. Another got into a sorry muddle over the passage she had selected from *Under Milk Wood*.

But the audience loved it. More than half of the women in Ireland were glued to their TV sets watching the contest. The rest were presumably in the betting shop initially putting money on the Adelaide Rose, a petite dyed blonde with a big white smile.

But when Muirne Hurley came on, and in particular when her wet-eyed father stood up in the audience for an impromptu serenade the hot money switched.

He sang in rich baritone the moving words: "Though lovely and fair as the rose of summer Yet t'was not her beauty alone that won me Oh no, 'twas the truth in her eyes ever dawning! That made me love Mary, the Rose of Tralee".

The people of Ireland know a winner when they see one, having



In search of a husband strong enough to carry her harp: Muirne Hurley, the 1994 Rose of Tralee, chosen for her ability to 'just be herself'

Kieran Conroy

watched this annual display of sentimentality for more than three decades. Within minutes the odds on the Limerick Rose had shortened from 12-1 to 3-1.

There is an implicit code of conduct that Roses only break at their peril. The Boston Rose did herself no favours by boasting about the paper she had written on the politics of Northern Ireland.

The Belgian Rose should never have admitted that if she saw a man she fancied that she invited him out. When it comes to "just being herself", it seems a Rose can go too far.

More important still, Roses must

not be seen to be competitive. They have to keep up the pretence that simply being in Tralee (a workaday town in Kerry) for a week of trips to distant hotels to shake the hand of ex-prime minister Charles Haughey is prize enough.

They must not drink or smoke in public. They are expected to pick at their food: indeed when the Galway Rose put away a large helping of lemon pie and cream at one of the main banquets the story was reported in the Irish Times.

Neither must they read the newspapers. It is feared that if the Roses read everything written about them

most papers carried several pages of fulsome copy and glamorous pictures every day of the festival – they might be left with no time to fulfil their busy schedules.

Try as it might to recreate an age of sentimental innocence, Tralee could not quite keep the modern world at bay during the week. While the Roses batted their eyelids inside the festival dome on the streets of Tralee a booze-up was taking place on a scale remarkable even by Irish standards.

Young lads poured into the town's camping sites and pitched their tents in preparation for a

week of dedicated drinking. One got so over-excited as he watched the Limerick Rose being crowned that he took off all his clothes and mounted the statue in the town square. That poor chap is now facing a prison sentence for his moment of abandonment.

Even more shaming, two of the nice Irish boys given the job of chaperoning the Roses during the week disgraced themselves. One got woefully drunk, and another was caught in bed with a young woman (mercifully not his Rose, whom he had safely escorted back to her hotel by midnight).

Another regrettable incident was the photo opportunity for the first ever black Rose. With an almost touching lack of political correctness photographers had her pose with a pint of Guinness, with a view to a "Black on Black" picture caption.

All hell broke loose among the festival committee – a gang of officious pale green jacketed locals, headed by a Bill Looney.

They were offended not just at the association with alcohol, but also because the Roses must not be seen to advertise anything.

But most sobering of all was

when the Washington Rose was made to relate the tale of how her two cousins had been gang raped and murdered, and how her brother – who was trying to save them – was charged by an incompetent policeman with having killed them. This grotesque story made the cheerful chatter that followed even harder to swallow than before.

Still on the whole the week was deemed to be the greatest success – nearly £3m poured into the town that week, and if much of that was spent on booze it should not bother the chief sponsor of the event: Guinness.

on the Channel ferry: "Princess Diana in phone leak probe". Was nothing else happening in my real world? Lord Arches was still in trouble over his share dealings. The replacement royal yacht Britannia was to be hawked around to corporate sponsors and former Page Three girl Samantha Fox had discovered Jesus.

The only piece of genuine news was simply incredible – that the IRA was about to declare a ceasefire in Northern Ireland.

"Good holiday?" they ask you kindly as you mooch into the office. Yes, thanks. Great. (And it was). "Glad to be back, ha, ha," they always add. The proper answer is to roll the eyes heavenward and twist the face into a grimace of simulated pain.

It is a foolish convention. It convinces at the strange superstition that we must never admit, because of the huge investment we have made in going away, that coming home is a real pleasure.

On holiday with my brain cells

Christian Tyler explains why getting away from it all is harder than you think

I turned and stared. "It can't be."

I kissed my brother-in-law. "I bussed. What's he doing here?"

She hissed back: "What are we doing here?"

The second shade was standing disconsolately in a scrum of Italian housewives at the delicatessen counter of the Co-op. It looked strangely like Professor Bill Wedderburn, the eminent labour lawyer and Marxist peer. I stepped forward: "Well, if it isn't... it was. So we're reduced to the bar with our trolleys for a beer."

When the third manifestation occurred a few days later I began to wonder what agency was sending them, and why. This phantasm was tucking into a *tutti frutti* ice-cream opposite the Minerva temple in Assisi.

One hundred years ago this summer, two dozen Europeans of different nationalities, members of "The Freeland Association", attempted – to establish a Utopian and failed – to establish a Utopian "Freeland" in East Africa, on the slopes of Mount Kenya.

Not that they ever got within sight of that wonderful mountain which sits on the Equator – they never set foot beyond the exotic Indian Ocean island of Lamu, where they arrived on All Fools Day, 1894, and sat there sweltering in the Big Rains for three months before they gave up.

Their expedition is remembered today only as one of the smallest footnotes of colonial history, forgotten almost at once by the chancelleries of Europe and by the people of Lamu. But the story of Freeland, inasmuch as we can rescue it from obscurity, has its own particular fascination, coming as it did just before a century whose political history was to be dominated by the great Marxist experiments.

It was just one of countless examples of our human attraction to Utopias: the Freelanders were a very minor example of the phenomenon, a ridiculously tiny group in comparison with the millions who were to be involved in the Marxist revolutions, but their story illustrates the temptation, and the inevitable frustration, of the journey.

The temptations of Utopia

The Freeland Association to send a pioneer party to establish a settlement near Mount Kenya: hence the arrival of 25 Austrian, German, English, French, Dutch and Scandinavian members, of whom two were women, on Lamu Island on April 1.

"Freeland" shared many of the characteristics of Utopian movements worldwide and across the centuries. For instance, its adher-

ents were inspired by the vision of a single leader or sage – the counterpart of Karl Marx, the said Dr Hertzka, of whom little else has been remembered.

Dr Hertzka had never been anywhere near East Africa – though he must have read the self-regarding memoirs of Carl Peters, the vicious German imperial adventures of the time – but he does not hesitate to expand, over hundreds of pages, a ridiculous farago of fantasies about life on the African savannah: zebras will be trained to draw carriages, elephants will be amenable

to domesticity like their Indian counterparts, the Masai maidens will embrace chastity, their warriors will lay down their spears and don tunics of Grecian style, criminals will reform, wives will be faithful, drunkenness will vanish, nihilism will wither away, hundreds of thousands of European disciples will soon flock to Freeland.

There were plenty of people who read the good doctor's prophecies

In search of a perfect world, 25 'Freelanders' set sail for Africa 100 years ago. J.D.F. Jones tells how it all ended in disaster

get away from the norms and ambitions of bourgeois society, they were trying to start again.

Of course, "Freeland" was a disaster. The detail of what happened has been lost but we know that the pioneer expedition never managed to get away from Lamu – an island whose exotic and decadent charms have been famous in the Indian Ocean for centuries (the local speciality, then as now, was transvestites).

The Freelanders had arrived at the wrong time of year: the rains were imminent; the Tana River

which they proposed to use as their route to the Highlands (utterly unrealistically because the Tana is not navigable) was in flood; the wild behaviour of their members offended the local community, which was and is strictly Islamic, with the women in deep purdah.

There is today only the faintest

folk memory of the Freelanders on the island: they are remembered for urinating from the rooftops on to the pedestrians in the narrow streets, for shooting water pots off the heads of servant girls, for carousing and drinking and for the immodest dress of the women.

They hung around in Lamu for a few months, their morals and their behaviour degenerating in the uncomfortable heat of the "off" season, until the British authorities lost patience and ordered the cancellation of the expedition and the disbandment of their association.

Some of the Freelanders went home, where Dr Hertzka, who had not actually accompanied his disciples, admitted the failure of his Utopia; rather more of them went elsewhere in Africa, to Tanganyika, Rwanda, Mashonaland, the Transvaal.

Perhaps some of them could not face going home after such a rapid

humiliation, perhaps some of them could not risk it – an expedition of this sort would have included adventurers and rogues as well as idealists and socialists.

So the Freelanders were soon forgotten. But the moral of this tiny episode, this abortion of an equatorial jaunt by a small bunch of fantasists, niggles away. If these Utopian projects seem invariably to fail, why have there been so many?

What is it in the make-up of morally-aware and not-necessarily-foolish people that tempts us to venture out so rashly to seek a reality out of manifest fiction? Did the Freelanders seriously think that the African tribes of the Kenya Highlands would welcome them?

The explanation must be that it is too easy to invent Utopias, to dream. Occasionally that dream is so persuasive that it comes to be implemented and offered up to the experience of reality. Always, the dream fails, whether of Dr Hertzka or Karl Marx, Freeland or Soviet Russia, the Third Reich or apartheid.

Better to be Plato or More, Fourier or Butler, Proudhon or Morris, Bacon or Coleridge, and remain in the library. Dr Hertzka's tragedy was that in the summer of 1894, Freeland was essayed.

■ *Freeland, a novel by J.D.F. Jones based on these events of 1894, has been published by Sinclair-Stevenson (£14.99).*

HOW TO SPEND IT

The easyish guide to mobile happiness

Some portable telephones are getting cheaper but there are hidden costs. Peter Knight offers a 10-step guide to talking on the move

If you thought buying a personal pension was a nightmare, try getting the best deal on a mobile telephone. Beginners who want to understand the complexities of the business have three options, in ascending order of easiness:

■ First, read this article very carefully. Next, ask a series of questions of the smart people (in every sense) who want to sell you a telephone. Then, work out (preferably, with a spreadsheet) what is best for you.

■ Second, abandon this article, decide what advertisement you like best (some fancy the Mercury woman with a gap in her teeth, others prefer the minimalism of the Orange ads, while the bargain hunters love the cheap giveaway deals found in the local paper).

Co for the image you like best and the sexiest telephone available – you can assume it is going to cost a fortune, anyway.

■ Third, and quite the best, persuade your boss, spouse or rich, doting lover to give you a mobile telephone with a written promise to pay the bills.

Since the first mobile phones were introduced a decade ago, talking on the move has progressed from being strikingly unusual to socially gauche and, now, oh so ordinary.

While owning a mobile (it's never referred to as anything but a "mobile") might not make you different, it can certainly improve your life. But no matter what deal you strike on these gadgets, if you are paying the bills, it is going to cost you more than owning an ordinary phone – at least £150 a year without counting the cost of the phone or the calls.

Even so, with judicious use and firm discipline to curb excessive chatting, you can escape relatively lightly – from around £300 a year (plus VAT), as the table shows. Just follow our 10 steps to mobile happiness.

10 STEPS TO MOBILE HAPPINESS

1. Understand that you are buying a service, not a phone. The money in the mobile phone business is made primarily by selling air time (the call costs), not the telephones. Handsets can be bought without an air-time contract, but they are then very expensive. The price of most hand portables is subsidised by the companies selling air time, as an inducement to sign up for one of the many options available from the four operators: Cellnet, Vodafone, Mercury One-2-One, and Orange.

2. Navigate through the mobile maze. Mobile telephones (hand portables and car-phones) work on a radio system. Each operator has set up transmitters and receivers throughout their area of coverage (usually on tall buildings) in interlinked "cells",

Mobile telephones: comparative charges			
Operator	Monthly Charge £s	Low User*	High User*
Cellnet Primeime	25	438	785
Cellnet Lifetime	12.77	372	934
Cellnet Cityline	20	421	873
Vodafone Business	25	498	789
Vodafone LowCall	12.77	372	924
Vodafone Capitalcall	20	408	873
Vodafone Eurodigital	25	463	790
Vodafone Metrodigital	20	711	711
Mercury One-2-One: Business	17.50	375	589
Personal	12.50	303	523
Orange Talk 15	16 (inc 15 mins free)	350	852
Orange Talk 60	25 (inc 60 mins free)	381	585
Orange Talk 200	50 (inc 200 mins free)	681	681
Orange Talk 360	75 (inc 360 mins free)	981	982
Orange Talk 540	100 (inc 540 mins free)	1,281	1,280

* Average total cost (including calls, monthly charges, and cost of purchasing the set) in £ per year over three years (excluding VAT).

Low user: 50 minutes a month (25 mins off-peak).

High user: 150 minutes a month (10 mins off-peak).

Source: European Cellular Tariffs, published by The X25 Partnership.

hence the term cellular radio.

When you make a call your mobile phone transmits the conversation to a nearby receiver which routes it to the operator. The call is then routed to its destination, either another portable or into the main BT network of cables. The system works the same in reverse, with the operator's computers keeping a track on your phone from cell to cell.

To encourage competition, the government set up a system that shared the spoils between the network operators and middlemen, called service providers. The service providers buy air time wholesale from the operators and then sell it on to you, either directly or through a retailer. Your contract is with a service provider. Network operators are now allowed to sell air time directly too.

3. Decide where you want to make and receive calls. Your needs could simplify your choices. Only two networks – Vodafone and Cellnet – offer a Europe-wide coverage on what's called GSM. This is a technical standard that allows you to make and receive calls in most European countries and some others, such as Australia and South Africa. The same operators are the only ones to offer near-national coverage in the UK, which is important if you intend to use the phone away from the big towns and cities.

All the networks offer services in London and the south-east. Mercury One-2-One started there and is extending to other English metropolitan centres. Orange started in all the large English and Scottish cities and is extending its coverage to 90 per cent of the population by the middle of next year.

Remember that you can call anywhere in the world on any of the services, as long as you are within

their demarcated reception boundaries. Once you leave their area, the phone is useless.

If you want a mobile for security in case you should break down or get lost while driving, members of the AA can buy its Callsafe system. This is a mobile phone that can only be used to call the AA or the emergency services. It is expensive but may be worth it for the peace of mind. It costs £149.99 for the phone, £25 for a connect fee and £25.50 per quarter. The calls are free.

4. If you want privacy, go Digital. There are two types of system, analogue (the original) and digital. Both offer high quality sound and reception when they are working well. Both suffer from bad reception. The digital service, although considered technically superior, can make you sound rather Dalek-like at times.

If you do not want eavesdroppers (remember the Princess Diana "Squidgy" calls?) then go digital because it is far more secure. Digital is essential for secret agents (although your whereabouts could be tracked) and anyone involved in an extra-marital affair.

5. Estimate how much – and when – you intend to use the phone. The methods used to charge for air time are complex and confusing. Before you pay for calls, you have to settle a one-off connection fee (from £25-£50) and then pay a monthly standing charge (from £12.77-£160). The differences in tariffs are essentially between the "business" packages (medium monthly fee, high call charges) and packages aimed at the social caller (low monthly fee, high call charges at peak times).

There are many variations on the theme, including inducements of free calls. Mercury gives free local calls to the world on any of the services, as long as you are within

after seven in the evening. Orange provides five different "price plans" in which it offers from 15 to 540 minutes free. Some charges are rounded up to the nearest half-minute while others, from Orange, are charged per second.

It is virtually impossible for those who have never owned a mobile phone to know how much they will use it. Some users have found that the phone changes the way they work, allowing much more mobility. This makes it exceedingly difficult to choose the right tariff package, so check if there is a charge in case you want to move from one package to another on the same system.

The producers of the Financial Times newsletter Mobile Communications have computed the total cost of the various options over a three-year period. "We made some assumptions on the amount of calls made and then worked out the cost, including the price of the cheapest hand portable available on the service," says editor Neil McCartney.

"The cheapest countries for cellular telephone service are in Scandinavia but because there's a lot more competition in the UK market now, we are the fifth cheapest country in Europe. Germany, France and Spain are a lot more expensive."

European Cellular Tariffs, published by The X25 Partnership, has done some useful work comparing the costs of using the leading operators. The table published here shows the average cost per year over three years for low users and high users and does at least provide some help to those trying to get straight answers to the complicated question of costs.

6. Beware of cheap phones. Advertisements for cheap phones are misleading. The chances are that the phones will be yesterday's technology but even if not, the "bargain" phone is being subsidised to attract customers for the air time. Look for the right tariff package first and then see what phones are available. Remember the phones have to conform to the technical standards of the operator.

7. Do not be seduced by sexy looks. They have not squeezed the technology into a wristwatch yet, but hand portables have shrunk quite dramatically since the early days. Some, such as the Sony CM-R 111, can be put in a pocket without breaking the stitching. But there are inevitable trade-offs between size, weight, functions and performance.

The capacity of batteries is still a problem – the smaller the phone, the smaller the battery and that means you have to carry a spare. Check too that the smaller phones are easy to use and have the power to work well when you are on the fringe of an operator's transmission boundary.

7. Do not be seduced by sexy looks.

Unless you always carry a briefcase, some phones can be rather heavy to carry around in a pocket or handbag. The Swatch, for example, is 385g, the Mercury M200 is 370g and the Nokia 1011 is 470 gm. The Sony CM-R 111 is only 185g.

Which? magazine tested 15 mobile phones. Its recommendations are:

□ Analogue: Mitsubishi MT-7, Nokia 101, People's Phone CTN 6000 and for occasional use, the Sony CM-H 333.

□ Digital: Mercury M400 and the Nokia Orange. For GSM (Europe-wide service) the Motorola Micro TAC International 5200 is recommended.

However, other phones have been launched since Which? did its tests.

8. Watch out for thieves. Mobiles are highly prized and some thieves specialise in snatching them from queuing cars at traffic lights. Make sure yours is insured. This is doubly important because you will have to buy a replacement at a non-subsidised price, or pay a penalty for cancelling your contract.

9. Read the contract carefully. The contract with the service provider will bind you to using the service for a set time (usually a year, but it could be more). There will be penalties if you want to get it up or move to another tariff package. Make sure you know what you are signing because the consequences can be costly. Look for opt-out clauses for bad service from the operator.

10. Watch that recall button. Many marital miscreants have been caught out by their spouse after programming 0 as the quick-dial to their lovers. You have been warned.



Women seize control of their cleavages

Avril Groom on how modern bras can be used to flatten and flatter

I recently met a man who claimed he could bestow a cleavage on even the most meagrely-endowed woman. He worked for a lingerie company and he was talking about bra design, which today seems to be a branch of structural engineering.

Underwear that reflects, and even flatters, your real shape is no longer enough. Now you can be twice, or alternatively half, the woman you thought you were. That well-known company slogan about "the bra for the way you are" needs rewriting. Now you are the way your bra is.

The push-up, pull-in school of bra design achieves instantly with Lycra and fine, flexible metal – far more natural flexibilities than those sought painfully and laboriously in the past with bone and binding.

Throughout history, women have managed to alter and enhance their shape, mostly at the dictates of fashion. The difference now is that a woman can change her shape as often as her clothes. The cleavage-enhancing, underwired, padded bra that defines the décolleté of an evening gown would look simply vulgar under a skinny cropped T-shirt. For this, all but the smallest need a minimiser which, in bra-speak, reduces the bust's projection.

The idea that a woman can change her shape implies that she has a large selection of bras, which is very good for business. Several bra companies report sales in the first half of this year up by 25 per cent over the same period last year, with sales of the type that make you look larger increasing fastest.

You might expect the reverse, as women and their

busts are getting bigger, due to the modern diet's higher protein content and, according to some theorists, the cumulative effect of the contraceptive pill taken by women whose mothers also took it.

I have always regarded my unremarkable 34B figure as average, and so it might have been 20 years ago. But now 36C is the norm and firms such as Berlei are producing bras with hitherto uncontemplated G cups – yet 30 years ago the DD cup was regarded as revolutionary.

Men are noticeably uncomplaining about this trend, which perhaps explains the boom in Wonderbras, Ultrabras et al. It seems we are following the lead of the US, where women are bigger and men are glad of it. In the race for sexual selection big breasts, to put it bluntly, still count.

Traditionally, the lingerie business has been dominated by men. This, quite rightly, is changing. Companies such as Gossard and Berlei now have predominantly female teams, even on the design and structure side.

Yet fashion is firmly on the men's side. After three seasons of the wiff, and the fragile bias-cut layers that go with her, the full-bosomed *pulpeuse* is back, with a vengeance in her corset tops and hour-glass jackets. This was seen clearly on the catwalk, where it was demonstrated by hitherto string-bean supermodels who, overnight and mostly without the aid of implants, had developed swelling *embouillants*, giving credence to my bra company friend's theory of cleavage.

If they can do it, so can anybody. So I decided to test the



Miracles of engineering: modern bras can augment or minimise

bra business in two categories – minimisers under a clingy T-shirt, and augmenters under a soft, low-necked shirt. The results were varied, instructive and not always flattering. At least one in each section really worked, though it is a clever minimiser that does not put the unwanted "extra" under your armpits.

And augmenters really are built for the new average woman rather than me. Even with the best, to look like the girl on the packet, I still have to fold my arms and squeeze hard.

■ Minimisers

These are either specific projection-reducers or sports bra styles meant to give a smooth, flattering line under clingy clothes.

□ Triumph Bijou, soft lace, sizes 32-38A-C, £17.99, from large stores. Underwired, removable pads. All up front; narrows the bust in and up.

□ Playtex Wonderbra Balconette, sizes 32-36A, 32-38B and C, £14.99 from department stores, Hennes and Top Shop branches. Underwired, removable pads. Pushes up and out.

Good with a low-cut evening dress but ledge effect on upper half of bust.

□ Berlei Petite, nylon/viscose/cotton/elastane, sizes 30-36AA and B, 30-38A, £15.99 from department stores. Underwired, padded all over. Keeps natural shape but can look as if you have put on weight. An instant matronly bosom.

□ Berlei Cascade Minimiser, tylon/elastane, sizes 34-42, C-E, from £13.99, from department stores. A serious supporter, heavily underwired for separation. Spreads bust outwards but augmented rather than reduced.

□ Marks and Spencer Minimiser, polyamide/elastane, sizes 32-38D-E, 38C-E, 40C-DD, £14. Spreads bust effectively but heavy underwire keeps underarm line smooth. Lacy finish tricky under clingy clothes.

□ Berlei Fitness Bra, nylon/cotton/elastane, sizes 32-38D, £17.99 from Fenwick, New Bond Street, W1. Double-layer jersey crop top with subtle seaming, not cups. Full-on, racing back. Very smooth outline, flattens well, but the larger bosomed would need more support.

□ Hanro 1549, sizes 32A-38C, £21.50 from Fenwick; Hanrods of Knightsbridge, SW1; Harvey Nichols of Knightsbridge, SW1; Dicks, Dicks and Jones, Regent Street, W1; and Selfridges, Oxford Street, W1. Cotton jersey, underwired, padded. Instant Jessica Rabbit. Goes further, higher than any other with a surprisingly smooth outline and remains comfortable. Top marks.

Hatchback
B
MOTORS

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SPORT

Golf/Derek Lawrenson

The golden oldies

It was called the sporting success story of the 1980s, but that was nothing compared to what senior golf has achieved in the 1990s. In 1994, the US Senior tour has expanded to the point where there are no longer enough weeks in the year to cope with all the tournaments queuing up to endorse tournaments.

Consequently, while every other tour in the world worries about keeping hold of what it has, the seniors worry about how long they can keep sponsors on their waiting list. When it began life on December 16 1980, there were two tournaments offering total prize money of £140,000. Today, there are 44 events worth £25m.

"I always thought the senior tour would do well but it has gone way beyond my comprehension now," said Gary Player.

This is the world that Tony Jacklin has joined and already he has touched gold, winning a tournament within five weeks of reaching 50, the age of eligibility.

On the regular tour, the players are always complaining about bad backs and bad wrists or some such ailment. On the senior tour, they are walking models of fitness, too busy making money to worry about a bad back, too tied up hitting balls on the practice ground in case the magic suddenly disappears.

The senior tour has predictably made millions for people who were not exactly short of cash anyway, golfers such as Lee Trevino, Raymond Floyd and Jack Nicklaus.

But there are some lovely stories too. Bob Murphy gave up playing on the regular tour in 1987 owing to arthritis. Murphy's hands were so swollen with the disease that it became too painful to grip a club. Now Murphy is back playing. His motivation was the senior tour. So far he has won \$1m and counting.

Then there's Jay Sigel, a name that will be familiar to those who follow amateur golf. Indeed Sigel was America's greatest amateur since Bobby Jones, but having done all he could in that branch of the sport, he finally decided, at the age of 50, to turn professional. Sigel has not yet been a pro for 12 months but he has already won \$200,000.

Jim Albus may be the most remarkable story of all. He played for a couple of years on the regular tour in the 1980s and made precisely \$1,000. He packed up and became a

club professional.

There he stayed for 25 years before those old yearnings for tour life and travel started getting to him once more and in 1991 he packed his belongings and headed for the senior tour's qualifying school. He got his card, and enjoyed his new life so much in 1992 that he played in every event. He has been rather more successful this time, too. He has made more than £1.5m to date.

Given the length of Albus's lay-off, perhaps it was not that extraordinary that Jacklin could rid himself so quickly of 10 years of rust.

But do all these stories indicate a lack of quality in the golf played?

Far from it. I attended the recent Ford Senior Player's Championship in Detroit, where the course on

are usually only about four places left and these scraps are fed to the 100 or so hungry scavengers who take part in open qualifying every Monday.

None of this explains why the senior tour is so successful.

There are a number of reasons. The first is that the tour offers not one, but two pro-am events every week, so that the sponsors can invite twice as many clients to play with a top name.

Secondly, just look at some of the names who are over 50 and still playing: Player, Nicklaus, Trevino, Floyd, Arnold Palmer, Chi Chi Rodriguez. How could any tour fail to attract sponsors and spectators when offering such riches?

Outside the professional ranks, golf is a game largely played by the over 50s, and the decision makers in the boardrooms are invariably a similar age to the players on the senior tour. They have grown up with sporting icons such as Palmer and Nicklaus.

But there is something else as well. These players know how to work a crowd.

Here is an example: on the opening day of Detroit golf's original big three, Player, Palmer and Nicklaus, had been drawn together for the first time on the senior tour.

The par four 11th hole offered the chance to play safe down the left and have a longish approach shot, or drive riskily over a ravine to the right but have a short iron to the green.

Player took out his driver, Palmer, summing up a career, went with the driver too, but Nicklaus, again true to form, played safe.

Uncharacteristically, he pulled his long-iron tee-shot into the rough.

There was silence.

Nicklaus shook his head. "That was a darn bad shot," he said.

It was too much for Player. He said: "You're right, of course, Jack, but it was a crap decision to go with the iron in the first place and it deservedly resulted in a crap shot."

Everyone started laughing. Nicklaus did too. It was something one could relate to. They may have been three superstars but they were also three golfers who were enjoying a laugh and a joke. The senior tour is the only tour where you will find that camaraderie that is so much the heart and soul of what golf is about for most people.

which the tournament was played measured just under 6,900 yards.

Admittedly, it was nowhere near as stringent as that upon which the US Open at Oakmont was played, however. "The fairways at Oakmont were faster than these greens," said Jack Nicklaus.

Even so, it was set up in such a way that I, an eight handicapper, would have been delighted to have gone round in anything under 83 (at Oakmont, I would have been thrilled to have broken 100). On the first day, a third of the field broke 70.

Jacklin's preparation for senior life perhaps provides an answer as to why the standard is so high. Six months before joining the tour, he gave up his handsome mansion in the Scottish Highlands to go and live in Florida - where he could practise every day, and play in some satellite tour events.

It was just as well he prepared so thoroughly because the senior tour fields are restricted to 78 players each week. When the exempt players are taken into account and the four invitation spots (which is how Jacklin has been getting in) there

is a limit of 82.

Everyone started laughing. Nicklaus did too. It was something one could relate to. They may have been three superstars but they were also three golfers who were enjoying a laugh and a joke. The senior tour is the only tour where you will find that camaraderie that is so much the heart and soul of what golf is about for most people.

Whatever the weather,

much of the talk at this weekend's Burghley Remy Martin Horse Trials will be of heat and humidity.

Most top event riders with an expectation of competing in the 1996 Olympics at Atlanta are at Burghley. So too is the equine veterinary research team whose expertise helped avoid catastrophe in the heatwave at the World Equestrian Games in the Netherlands last month.

In October, the scientists have to give advice to the International Equestrian Federation on how to conduct a safe three-day-event in the near-tropical conditions of mid-summer Georgia. Opinions are polarising as to whether the whole enterprise is desirable or possible.

King William and Mary Thomson, a combination that has won Badminton and competed at the Barce-

lona Olympics, finished the WEG cross-country section with the horse on rubber-legs. A heatwave pushed temperatures in The Hague to 36°C, with 90 per cent humidity. Thomson had to nurse the massive gelding, famous for his big-heartedness, over the last few fences.

"He just could not cope with the humidity. Like a lot of the larger horses, I had never seen him like that. He was very distressed and so was I," said Thomson, part of the gold medal-winning British team.

Although the pairing is likely to be well to the fore in the selectors' minds, the rider is adamant that the horse will not endure those condi-

tions again. "There is no way in the world I would take him to Atlanta," said Thomson.

Michael Clayton, editor of *Horse & Hound* magazine, has moved from scepticism to outright opposition over the Georgia venue.

"It is ridiculous. Every horseman knows it is too hot in Atlanta," said Clayton. "I am not a sentimentalist over horses, but the competitors are not sitting on sinks or boats. These are living creatures."

He believes that the sport's governing body agreed to the demands of the International Olympic Committee for a compact, one-site Games, because of apprehension

that the IOC hierarchy wished to drop equestrianism and would use such an extent that they are sold to a

local difficulties at a fever.

Clayton says that the best decision would be a shift of venue to temperate New England or Pennsylvania. He attended the 1978 world championships in Lexington, Kentucky, and was appalled at the effect of extreme heat and humidity on the animals.

"Some of the top horses pushed hardest at Lexington were never any good again," said Clayton.

Many, indeed most, top event

horses are no longer owned by their riders. As the sport's popularity and media profile increases, the ani-

mals increase in value to such an extent that they are sold to a

local difficulties at a fever.

The Burghley entry list gives a

classic example. The printed form shows Nick Burton (son of former X.M. rugby international Mike Burton) as owner/riding Bertie Blunt. A last-minute handwritten addendum gives Mark Todd of New Zealand as rider, with his new sponsor Bond International (a large UK type distributor) as the owner.

Japanese interests scouted the

stables at Burghley last year. When Bryn Powell's promising young horse I'm Sure went well around a demanding course, he was snapped

up and flown off to Tokyo.

Corporate backers may well be unwilling to hazard their equine investment in the stifling heat of a Confederate summer.

However, scientists such as Professor Leo Jeffcott of Cambridge University's veterinary department have been researching 'climatic stress in relation to eventing for nearly two years. He was in the Netherlands for the WEG and says that conditions there were at the margins of safety.

"We would not want the horses to become any more tired or hotter than they were at The Hague," said Jeffcott.

"This is basically a winter sport," he said. "You do not run an Alpine ski competition in July or a yacht race on a dry lake."

Beneath a giant marquee to provide shade, the horses were "aggressively cooled," as Jeffcott's report puts it. Six tons of ice and a battery of hoses were used.

Many of the same animals will be at Burghley, wired to transmit heart and temperature functions to the vets computers. This data, plus a recent field test in Atlanta, will provide the basis for recommendations as to how the three-day-event will need to be made less physically rigorous in Atlanta. Shorter tracks, lower fences, and longer rests are likely.

"There will be modifications but we are confident of keeping the horses safe," said Jeffcott.

Not everyone is content. Clayton questioned the value of medal won in "a bastardised event".

"This is basically a winter sport," he said. "You do not run an Alpine ski competition in July or a yacht race on a dry lake."

Patrick Harverson

Motoring/Stuart Marshall

Hatchbacks rule Britain's roads

Britain's most popular type of car is a five-door hatchback - and that is official. The information comes from the Society of Motor Manufacturers and Traders, which also says that Britain's total car population grew to 23,102,477 at the end of last year - a 1.7 per cent increase on 1992 - while the total number of heavy lorries fell by 1.8 per cent to 536,459.

The society could have fooled me. An increase in the car population I can believe, only because getting out of my drive and on to the main road takes longer, and is more hazardous, every year. But fewer lorries? There seem more of them around than ever. They block two of three motorway lanes as they creep slowly past each other on hills, where commonsense dictates that overtaking should be forbidden, and they make their elephantine presence felt in country lanes and local high streets where they look like goods trains that have left the rails and taken to the tarmac.

The society's statistics reveal

that while 31.4 per cent of Britain's cars are five-door hatchbacks, three-door models (28.4 per cent) are not far behind. Almost 60 per cent of cars now have tailgates and, if you include another 1.5m estates, it really does make the five-door look a threatened species.

Which car started the trend to tailgates? Some say it was the 1989 Austin A40, with its agreeably sharp-edged body styled by Farina of Italy. But the first ones I drove had fixed back windows; as I recall, semi estate A40s with hinged

tailgates came a year or two later. By that time, the gawky but endearing Renault 4 had appeared, with a tailgate big enough for sofa or metal milk churns - although purists might, I suppose, argue that this was more of a van with seats and windows than a hatchback.

The Renault 16 - was any car ever more comfortable to ride in? - arguably started the popular hatchback line because it combined all the features you expected of a saloon with a versatility close to an estate car. Also making its bow in the early 1980s was the Simca 1100, smaller than the R16 but cast in a similar mould. Where have they all gone? The simple answer is that rust-proofing was less of a priority then than it is now. While the mechanics remained healthy, the bodies rotted. It was not until the 1970s that the hatchback became the conventional body style for small to medium cars and a booted saloon the exception, although large-car buyers still generally opted for a sedan. (The first 900s) was an exception but Mercedes-Benz, BMW and Jaguar have never

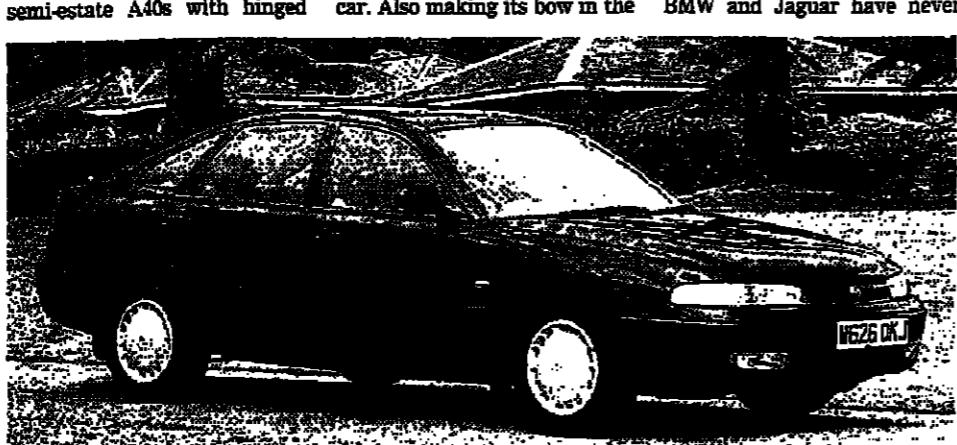
made a big hatchback. The large Renault 25 and its successor, the Safrane, are hatchbacks as is the Citroen XM, although this has a cunning double back window. One goes up with the tailgate; another - easily removable when required - stays in place.

Ford must have wished it had something like it when it introduced the present Granada (itself on the point of being replaced). Instead of continuing to offer four-door saloons and five-door estates, it said Granada buyers could have any kind of body they liked so long as it was a hatchback. (Old Henry Ford - "Any colour you like so long as it is black" - would have approved.)

The Granada's styling was an unhappy compromise around the rear end. More to the point, Ford lost business from fleet managers who had formerly bought Granada saloons to ferry senior people. When the chauffeur lifted the new model's tailgate to stow the luggage, the back seat passengers objected to being exposed to winter's icy blasts.

In the end, Ford did what it should have done in the first place - produced a Granada saloon and, eventually, an estate car. Even the largest companies live and learn.

The French may disagree, but body styling has polarised. As the society's figures reveal, cars for the masses are mainly hatchbacks. Senior people choose saloons as company cars. And for carrying cargo, there is still nothing like an estate.



For the super-charged family

Mazda's 626 D-CX (pictured) five-door

is the first super-charged, as distinct

from turbo-charged, diesel car to reach Britain.

Stuart Marshall

The air pump that improves performance is

driven directly from the two-litre engine, not

by a pump in the exhaust gas stream. As a

result, instant boost is available at low engine

speeds.

The power-steered 626 D-CX drives with close

to a petrol car's refinement and liveliness,

has anti-lock brakes, a sweet five-speed gearbox,

and gives more than 40 miles a gallon (6.89 l/

100 km).

At £13,395 - which includes electric windows,

door mirrors, and aerial for the six-speaker

audio system - I rate this comfortable, well

equipped, family-size car an attractive buy.



Old adventure: Arnold Palmer, 65, in the rough at the British Seniors Open

Phil Inglis

Photo: PA

American Football

49ers make the cap fit

A new American football year opens tomorrow, but if there was a prize for the best performance during the off-season, the National Football League would have crowned its champions already: the San Francisco 49ers.

By paying out so much money in 1993, before the cap came into effect, the 49ers left themselves considerable room to sign new players for 1994, year-one of the salary cap.

In basketball - the other sport with an existing salary cap - teams have fallen foul of the league authorities with this kind of creative accounting, but in football the wiggle room leaves plenty of scope for creativity. As Carmen Policy

TRAVEL

The spectacular beauty of Ayers Rock today holds no reminders of the tragedy of Azaria Chamberlain, the nine-year-old daughter of Lindy and Michael Chamberlain who was taken by a dingo at the Rock. Azaria's death and the ensuing legal actions convulsed Australia, culminating in Lindy Chamberlain's belated release from jail.

Today the Rock is haunted more by the spectre of mass tourism than by the ghost of Azaria. The campsites and jumble of motels and buildings at the eastern base of the Rock where the Chamberlains stayed have been largely done away with; what is left was turned over to the local Aboriginal community.

The site might as well not exist: tourist buses rumble along the sealed road and arrive via the western side of the Rock to disgorge their mainly foreign passengers. Most Australians, facing outrageously high domestic airfares, find it too expensive to visit the area.

Visitors now stay at Yulara, the depressingly soulless resort 18km away from the Rock which was built to contain the growing number of tourists visiting this inhospitable but breathtakingly beautiful region of central Australia.

And there, perhaps, lies the rub: the region is becoming easier to visit as Yulara neutralises the brutal climate. No longer do tourists have to brave campsites and dirt roads to see Ayers Rock – now known by its Aboriginal name, Uluru – rising starkly from pancake-flat desert. Visitors flocking to the Rock arrive by air-conditioned coach or by jet toConnell's airport minutes away from Yulara.

Visitors are catered to with cool efficiency, from those able to pay the prices for the five-star Sails in the Desert hotel, complete with Rock views, to the back-packers staying at the campsite. And organised tours ferry the tourists out to experience sunrise and sunset en masse.

The problem is that you have to stay at Yulara to get the most out of a visit. It is the only place to stay for 500m in each direction. And with the cost of taking a hire car to the area so high, it is almost inevitable that just about every visitor will end up going out to the Rock in a coach. This is good



Air-conditioned Outback

Kate Bevan travels to Ayers Rock by coach and watches sunrise with flash-bulbs

news for the coach companies based at Yulara, but bad news for the tourist hoping to capture some of the magic of the desert.

It is magical. The intense colours of the red earth, green trees and endless blue skies take the breath away before fading to delicate purples and then inky black as the day ends. The immense emptiness overwhelms, even in the company of a full coachload.

But to share the sunrise with five other coachloads is depressing. The astonishing sight of the dark rock flaming orange and then red as the sun appears over the horizon is dulled by flash-guns.

There is an uncomfortable sense of being herded through the experience as coaches draw up to the parking lot, leaving their engines running to maintain the air-conditioning. Even in low season – the heat of December – the sheer volume of coachloads of predominantly

Japanese tourists deadens the effect. I dread to think what it is like in the cooler Australian winter months.

I wanted to be about 10km further back, too, as the parking area is at the base of the Rock, making it impossible to appreciate the isolation and beauty of the monolith.

I took my best photographs from 20km away, on the road out to the Olgas, or Kata Tjuta, as the Aboriginals call this formation of red, softly-rounded domes that rear up out of the desert 32km west of Uluru.

Even on a coach it is possible to capture a sense of the emptiness and intense heat of the Outback as many visitors, on a two-day package, miss out the Olgas altogether. That is their loss, but a bonus for those who go.

The Olgas are so completely unexpected that they cannot fail to impress. Ayers Rock, by contrast, is exactly what you do expect – large and red.

There is a sense of mystery about the Olgas with their winding trails, undulating hummocks and startling colours. My group watched the sun go down in silence, awed by the flamboyant light show played out on the domes.

The 6km walk through the Valley of the Winds is far more rewarding than the haul up Uluru, and you sidestep the heavy-breathing queue determined to conquer the Rock. Starting from the car park, the Valley of the Winds trail winds through a spectacular gorge punctuated by unexpectedly green trees and vegetation before culminating in a scramble up to the lookout, from where the rest of the range stretches out to meet the desert.

The evening light is mellow and gold, and takes the startling desert colours to their most intense before fading definitely. Then all the stars come out. The skies over central

Australia are some of the darkest in the world and make the northern hemisphere's pallid night sky, bleached by city lights, sad by comparison.

In the desert you can see shooting stars flaring in the heavens while satellites appear as falling bombs of light and the Milky Way winds overhead like a giant ribbon.

Most people want to climb Ayers Rock, but it is sobering to see the plaques at the bottom commemorating some of the climbers who have lost their lives. The practice of placing plaques on the Rock was stopped some time ago, but the death toll continues to rise.

The only surprise is that the toll is not higher, given the motley crew of fat and ill-prepared tourists that starts the climb. A sign at the bottom points out that it is not for the unfit, and that the local aborigines

tribe would rather you did not climb the Rock, but it is blithely disregarded by the hordes determined to sign the visitors' book at the top.

In the ultimate sanitisation of the Rock, the Japanese parties are issued with white gloves to protect their hands from the chain with which you haul yourself up the steepest part of the climb. It is a real climb, not a steep walk. There are parts where you dare not stand up straight, while the gentle breeze that took the edge of the morning heat at the bottom swiftly becomes a gale, threatening your balance as well as hats and lens-caps.

No doubt the view from the top is tremendous – I decided that I was not there to kill myself and came back down – but you can see it from a light aircraft. There are several operators who will fly you around both the Rock and the Olgas at sunset for a few dollars more.

It is spring in South Africa, and not just politically. So I ought not to have been surprised when I ran into one of the country's most notorious former terrorists, Ronnie Kasrils of the African National Congress (now deputy minister of defence), wandering among the spring wild flowers in a nature reserve far up the west coast of Cape Province.

He was only doing what comes naturally to South Africans (and what the ANC was prevented from doing during 30 years of exile): savouring the beauty of a harsh and savage landscape that becomes a wild-flower wilderness for a few short weeks each spring.

It is South Africa's equivalent of New England's annual display of autumn colour. Every year, during a few weeks in late August and September, thousands drive the wide straight roads north from Cape Town to visit the flower fields of the Cape West Coast, and the rugged gorges and arid valleys of the South West Cape interior.

The local tourist board, Captour, runs a seven-days-a-week "flower hotline" to tell tourists where to find the best blooms. The answer is in a number of "flower reserves", where the displays are perhaps most striking, but also along a host of anonymous dirt roads, which run for miles between wild-flower meadows where white Namaqualand daisies dust the fields like snow, and banks of brilliant orange, pink and yellow blooms line the verges and adorn the rocky hillsides of this harsh and isolated land.

I ran into Kasrils on a sun-filled Saturday afternoon at the Rumsby flower reserve outside Clanwilliam, an Afrikaans town which, like so many in the Cape, bears a deceptively Scottish name. I found him among the rich golden *poterblomme*, or butterflowers (no relation to the buttercup, which is far smaller and more delicate), the deep red *gousblomme* (a kind

of aster), and shocking pink *vygies* or "little figs" – flowering succulents whose extravagant large blooms bloom even the most arid soil.

The Latin name of the vygie is *mesembryanthemum* – says it all. They open only toward mid-day in warm sunny weather. The trick to seeing them is always to travel with the sun at your back, for the blooms face the sun; approached from behind they can be almost invisible.

When you tire of flower-spotting from car windows, get out and wander (with the farmer's permission) in fields of *helichrysum* (sun-lover) or blue flax, wild arum lilies (known as "pig tails" in Afrikaans), tall yellow daisy bushes and wild Cape honeysuckle and

names.

I had a lovely wander up a secluded gorge near the 1831 homestead called

Kapteinskloof, where I stayed.

It is a pioneer home with thick white-washed walls, thatched roofs and a profusion of

antiques which make it a

stunning monument to Cape Dutch architecture (the food is a testament to modern Cape cooking).

Best of all, perhaps, are the wild-flower meadows which run down to the Atlantic in West Coast national park, less than an hour up the coast from Cape Town (in

Langebaan, stay at the

Farmhouse, with splendid

views of Langebaan lagoon

and a wood fire in every room

for cold spring nights).

In Postburg nature reserve,

within the park, zebras and

wildebeest, wild ostriches and

gemsbok graze in the

wild-flower fields.

Only time will tell whether

South Africa's political spring

lasts very long. But the

wild-flowers will be there

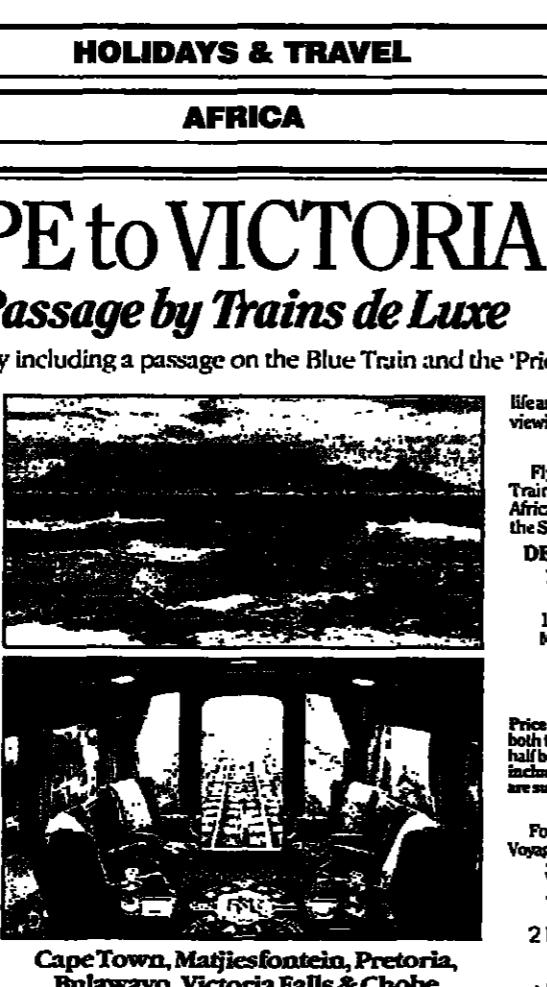
again next year, and the year

after that.

■ *Kapteinskloof guest house, near Sauer, South West Cape, tel: 0261-4732; Farmhouse guest house Langebaan, Cape West Coast, tel: 02287-22062.*

Patti Waldmeir

Flowers in a harsh land



HOLIDAYS & TRAVEL

AFRICA

THE CAPE to VICTORIA FALLS

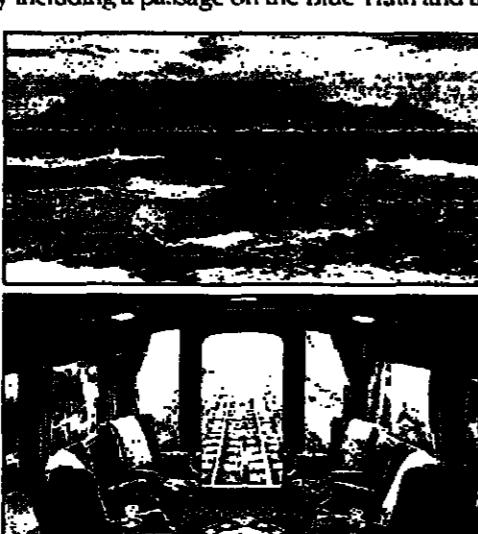
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Southern Africa is an area of breathtaking scenery, natural wonders, historic landmarks, magnificent wildlife and exotic flora and fauna. The Blue Train in Cape Town, one of the most beautiful cities in the world, encompassed by valleys, coastal plains and rugged mountains. We venture north to Pretoria and west into Zimbabwe in the footsteps of Cecil Rhodes, making use of the extensive railway network where steam trains can still be seen. After visiting Bulawayo, we continue to Victoria Falls where we stay for four nights. However, you can enjoy the spectacular sight of the Falls themselves, relax or take some optional excursions. From Victoria Falls we cross the border into Botswana to stay in Chobe National Park, Chobe boasts endless landscapes, open plains and ancient woodlands and a great variety of wild-



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FOOD AND WINE / OUTDOORS

September heralds the Michaelmas term. Back to school for the young; time for the not-so-young to consider new beginnings or, perhaps, refresher courses.

This autumn the choice for aspirant and accomplished cooks seems wider than ever and evening classes are on the increase.

Those who want to learn new kitchen tricks and culinary skills might reap much pleasure and benefit from a two-day intensive hands-on workshop run by Sonia Stevenson. Although alternative courses are sometimes offered, souce-making and fish cookery are Stevenson's specialities.

An amazing amount is packed into each day. Classes are restricted to a maximum of eight participants and tuition is highly personal to accommodate can't-bull-an-egg types as well as budding *Masterchef* contestants.

Stevenson, ex chef-patronne of the Horn of Plenty in Devon, is a travelling tutor. Dates and venues scheduled for the next couple of months include September 10-11 and 13-14 near Guildford; September 23-27 and 28-9 in Clapham; October 1-2 and 4-5 in Warwick; a one day

For those with a taste for learning

Philippa Davenport looks at courses, classes and demonstrations being held this Michaelmas term

course on October 12 in Norfolk; October 17-18 near Liskeard; October 23-30 and November 5-6 near Edinburgh. Two-day courses cost £155. For further details and bookings, tel: 01223 851813.

If you prefer to leave your apron at home and be entertained as you pick up a few culinary ideas, demonstrations might suit you better. In London, *Divertimenti*, the well-known cookshop, has created a demonstration theatre area in the centre of its Fulham Road emporium.

Performing there are cookery writers and chefs, often with new books to promote. Each demonstration lasts about 2½ hours and costs £24. Sessions start at either 10am or 7pm.

Upcoming attractions include restauranteur Stephen Bull on September 6; Robin Wair, ice-cream maker, on September 20; Marie-Pierre Moine, star

of the increasingly popular and highly respected French-born food writer, on October 18; Lindsey Bareham, author of two of my favourite books, *In Praise of the Potato* and *A Celebration of Soup*, on November 1; and Hemispherical Green, compiler of the Food Lovers' Guide to Britain, on November 15.

For further details and bookings, tel: 071-581 2661.

Autumn term begins at *Wolvona & Crolla*, the Edinburgh deli, here with Sue Lawrence, winner of *Masterchef* 1992, demonstrating breads, pies and tarts on September 21 and 22.

Claire Macdonald, author,

journalist and mistress of Kinloch Lodge Hotel takes the floor on September 27 and 28; Olivia Corzini cooks fungi on October 10 and 11; Hilary Brown of La Potiniere tackles notions for Christmas on November 1; while Scotland's youngest Michelin starred

Cookery



and bookings tel: 04712 214, or fax: 04713 274.

Lady Macdonald is a cook rooted in the country house tradition. Her style is confident and practical. Her food is blessedly unpretentious. She writes and speaks with bubbling enthusiasm, is a good lateral thinker and has a gift for vivid description. No slavish follower of passing fads and fash-

ions, she is not afraid of roux-based sauces and has a sensible old-fashioned respect for butter and cream used in their proper place. Nor is she extravagant: her recipes often make use of such ingredients as mussels, kidneys and praline, none of them noted bank robbers.

Here is a sample taste of her cooking from *Stingers* (Double day £15.99) to be published on September 8.

OYSTERS WITH GINGER & SPRING ONIONS

(Serves 6)

This is an aromatic and original way to serve oysters instead of slipping them raw and briny down the throat. Serve with boiled Basmati rice and a crunchy salad.

Depending on their size, allow 5-6 oysters per person for a main course (or 3 for a first course); about 2 inches fresh root ginger, 18-20 good spring

onions (not weedy grass-thin ones); 3 tablespoons sunflower oil; ½ pt single cream.

Method: Shell the oysters. Peel the ginger and cut the flesh into fine slivers. Trim the spring onions and cut diagonally into ½-inch slices.

Heat the oil in a wide shallow pan (saute or frying pan) and cook the ginger and spring onions, stirring continuously, for about 3 minutes. Then add the oysters and cook for a few seconds before pouring on the cream. Let the cream bubble for about a minute. Season with salt and pepper, tip into a warm dish and serve as soon as possible.

LEAKS IN HAM IN GOAT'S CHEESE SOUFFLE

(Serves 6)

This is a slightly variation on the classic dish of chicory wrapped in ham and cloaked in cheese sauce. A salad dressed

with walnut oil is recommended for serving on the side. 12 medium leaks, trimmed, well washed and steamed till just tender; 12 very thin slices of ham; 3oz butter; 3oz self-raising flour; ½pt milk; salt, lots of freshly ground black pepper and a grating of nutmeg; 1lb fresh creamy goats' cheese; 4 large eggs, separated.

Method: Butter an oval or oblong ovenproof dish. Wrap each just-cooked leak in a slice of ham and lay them in the dish. Melt the butter in a saucepan and stir in the flour. Cook for a minute before pouring in the milk, gradually. Stir continuously till the sauce boils.

Take the pan off the heat, season and stir in the goats' cheese. Beat in the yolks, one by one, then whisk the whites until they are very stiff. With a large metal spoon, fold the whisked whites quickly and thoroughly through the cheese sauce. Pour the mixture over the ham-wrapped leaks. Bake straight away or set aside, covered, for 2-3 hours before cooking if more convenient.

Bake at 425F (200C) gas mark 7 for 30 minutes. The souffle mixture should be very slightly runny in the middle when served.

Wine/Jancis Robinson

A bottle of Spanish Australian

This is the time of year when ambitious southern hemisphere wine-makers are heading for the vineyards of Europe, there to double their vintage experience and exchange high-tech expertise for a sniff round the cellars of the Old World, where they are temporarily employed.

The Australian giant Penfolds, for example, is flying in a team to Val d'Orbigny, its opposite number in the Languedoc. *Ocker meets pavan*.

The usual distinguishing features of these winemaking incomers are that they need gumboots (to satisfy their obsession with water and winery hygiene) and much less sleep and food than the natives ("the wine doesn't take a lunch hour or weekends, mate").

They also tend to work at low, low temperatures and add special antioxidants and yeast nutrients so that the wines taste immediately appealing if more uniform and vagrant than traditional models.

At a giant tasting of wines made mainly last year, Safeway brought some of us wine writers up short by deciding to group its wines by whether they were made by itinerant oenologists ("flying winemakers"), or by what they almost patronisingly called "local talent".

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Just across from the Two

Coppers are two runs not on

the trail map: 5150 (the police

code for an emergency inci-

dent) and Not Drowning Only

Waving (inspired by an ava-

lanche which buried four skiers

who managed to keep one hand

above the snow enabling re-

scuers to pull them out).

There is also an extensive

back-country area outside the

ski boundary called Black

Magic.

Turoa's rolling terrain is

much more open, with bowls

and long, natural gullies, and a

vertical drop of 2,300ft (about

150ft more than Whakapapa

and the biggest vertical drop in

Australasia).

The Mangapohue Glacier

provides challenging off-piste

skiing and the really adven-

turous can climb even higher to

the crags on Girdlestone or

even ski down from the crater

lake (but check conditions first with the ski patrol...).

Turoa and Whakapapa are

about an hour's drive apart,

although it is possible to tra-

verse on skis from one to the

other with an instructor.

Temperatures were in the

high 70s when we arrived in

Melbourne, Australia. And our

second day produced a sur-

prise. We were driving through

a forest of Giant Mountain Ash

(*Eucalyptus regnans*) which

grow up to 300ft and Lucy was

studying the Lake Mountain

trail map.

Whakapapa has everything

It was rather shocking to realise how rapidly it has become a novelty that a wine should be made by someone who has watched the vines bud, leaf and flower throughout the growing season, someone whose livelihood is necessarily linked to the fortunes of that wine region.

I thought of this when I tasted recently, chez Sainsbury, the perpetuated Hugh Ryman's *Santara Chardonnay* 1993, £3.95 at the top 120 stores, it actually comes from Conca de Barberà in Spanish Catalonia (where the Chardonnay for Miguel Torres revere Milmanda is grown) and yet, to my palate at least, it is pure Australia, effusively fruity and ready-to-gulp, "with the added complexity of a light oak flavour", according to the back label. Smell those wood shavings.

Santara is probably a very smart move on Sainsbury's part as the prices of Australian Chardonnay from Australia continue to rise, but Spanish and Australian wine producers should feel shivers down their respective spines.

Compare and contrast with, for example, La Perdrix Chardonnay 1992, £3.95 at larger Tesco stores. In this case an Australian winemaker, Yalumba's Brian Walsh, seems to have relished his winter playtime in the northern hemi-

sphere by celebrating the differences between his regular diet of South Australian fruit and this Languedoc Chardonnay, doing his damndest to transform it into a Montrachet.

Served at exactly the right temperature (not too cold) this rather unappetisingly named wine could be taken for some-

Ocker meets pavan and produces some interesting – and some deplorable – results

thing much smarter than a Vin de Pays d'Oc, and reflects glory on both Australia and the Languedoc – although I should point out that neither Conca de Barberà nor the Languedoc have a long history of Chardonnay production to be used as a stylized guide by incoming winemakers.

There are, fortunately, instances of incomer winemakers who take the local style and smoothly move it up two or three gears so as to provide an entirely new cruising speed for the region's own winemakers.

Merrill was also responsible for Sainsbury's Grechetto dell'Umbria, £3.69 which is another admirably distinctive rendition of a local grape variety – in this case a scented dry

white with real backbone, good fruit, a little bit of bite, and a dire label.

It is a proportion of Grechetto grapes which so usefully distinguish Antinori's delicious Cervaro – about £20 from Italian specialists such as Valvona & Crolla of Edinburgh – from any other barrel fermented Chardonnay.

I am all for incomer winemakers who show their respect for the native region by interpreting what it has to offer, and preferably showing the locals how to make that something even more appealing to the outside world.

Nick Butler's whistle-clean Sainsbury's Moravian Grüner Veltliner 1993 £2.95, for example, is just the sort of lively, punchy, racy, unmistakably central European wine that we all hoped would flow from the Czech Republic.

Hugh Ryman himself has done wonders for tons of Semillon and Sauvignon grapes in south-west France. His Ch l'Ortolan 1993 Entre-Deux-Mers, £3.95 at Sainsbury's, is just one of many current examples, and Thresher/Wine Rack/Bottoms Up have many more.

But I find it unsettling when "local talent" and actual location are blatantly ignored in favour of a commercially expedient reproduction of a style that belongs on the other side of the world.

Financial Times Round-the-World Ski Expedition

Downhiller without a lift

Arnie Wilson becomes a social misfit in Australia's biggest cross country ski area

Facts and Figures

August statistics

Missed 203 from home holiday 11,220

Vertical height 3,940,105 (from 2,550-2,000)

Vertical distance 1,675 (from 1,220-1,000)

Missed 2,000 (from 1,720)

Mileage (all means of transport) 10,000 (from 7,000)

Resorts visited so far: 181; US: 50; Canada: 15; Australia: 36; France: 24; Switzerland: 22; Italy: 17; Germany: 11; Austria: 10; Japan: 4; Chile: 16; Argentina: 8; Australia: 4; New Zealand: 2

Resorts skied in August:

Chile: Valle Nevado,

PROPERTY

Dutch build to provide more room at the top

Ronald van de Krol reports on a remarkable switch of emphasis

It is inconceivable that cities like New York, with its penthouse Central Park properties, or London, with its Belgravias or Chelsea neighbourhoods, would ever complain about the lack of expensive, luxury flats to house high-earning expatriates. But Amsterdam, and the Netherlands generally, are different. While there is still a commitment to providing affordable housing for the lowest paid, there is also growing concern about a shortage of properties at the upper ends of the market.

Indeed, the Dutch capital, reversing decades of emphasis on social housing, has increasingly started to approve developers' plans for housing that are aimed at either wealthy home-buyers or rich renters. This conversion is remarkable, and also controversial, not least because it is taking place in a city that remains a bastion of the Labour party in a country that is self-consciously egalitarian.

One sign of the times is a complex of 40 apartments due to be built in the outlying neighbourhood of Buitenveldert. The project, financed in part by the pension fund of the Philips electronic group, is a direct result of the financial community's drive since the late 1980s to boost Amsterdam's standing in the international banking world.

The fear was that the city, although having plenty of handsome flats on picturesque canals, was not really able to attract financial high-flyers to work at Dutch banks because the housing market did not cater to their needs.

"Business people moving here from big cities like New York will not get doormen or underground parking garages for their cars," says Jan Steinhausen, a former deputy director of the Dutch central bank

who ran the financial community's campaign to promote Amsterdam.

The apartment complex planned for Buitenveldert will fill that need. The flats will also rent for F15,000 (£1,550) a month, nearly 10 times the national average.

The development is an extreme example of a much wider trend towards building more expensive housing in the Netherlands. Even average earners are struggling to find the next rung up on the housing ladder.

According to figures compiled by the Netherlands Estate Agents Association (NVM), the most sought-after houses and flats are those selling for around F130,000, one or two steps up from the average home which sells for F122,200. In both cases, the homes will, almost inevitably, be terraced properties, reflecting the constraints on space in a crowded country.

With the trend towards higher housing prices almost inexorable – prices rose by 11 per cent in the 1984 first half, prompting warnings of "overheating" – it might seem attractive for expatriates in the Netherlands to buy rather than rent. This is especially true because the Dutch tax system allows owners to deduct all mortgage interest payments from their taxable income, with no upper limit imposed.

At the same time, property prices are relatively low, especially for newcomers used to London or Paris: a two-bedroom, canal-side apartment right in the centre of Amsterdam will sell for F145,000 and higher, with the price determined in part by the prestige of the canal and, crucially, on the number of windows overlooking the water.

Buying is complicated for some new to the country, especially for families with properties overseas, but there are exceptions. "We



Canal living in Amsterdam, where the price for an apartment is determined, in part, by the number of windows overlooking the water. A six-window frontage will put the property into the F160,000-plus class

entry into the luxurious category above F160,000.

Most expatriates in the Netherlands on temporary assignments rent rather than buy, though. "The vast majority of people who are going to be here for less than three or four years rent," says Rosalind Paterson. She is the British co-director of Formula Two Relocations in Amsterdam, which specialises in the "God", a wealthy suburban belt between Amsterdam and Amersfoort; or to Wassenaar, an exclusive suburb of The Hague which is home to many diplomats as well as to the American School.

Although the Netherlands sounds like a country waiting for a house price boom, there are factors weighing against speculative purchases.

For one thing, the Dutch view houses as homes, not investments, and simply will not put themselves

heavily in debt in order to get the homes of their dreams.

The advent of two-salary couples

helped to push up house prices, but most families can still afford to buy an average home on one salary. This, perhaps, helps to explain why the percentage of Dutch women in the work force is nearly as low as that of Portugal and Ireland.

The one time in recent history

when Dutch housing prices shot up sharply in a speculative spiral – the late 1970s – ended badly: the second oil crisis of 1979, and the recession of 1981, caused a severe housing slump. The burst bubble left many owners with negative equity, and memories of this have helped to keep a lid on any surge in prices.

Despite a tax system that is kind

to owners, the division between rented and owner-occupied accommodation is roughly 50/50. This is due partly to the fact that the average rent is still only F1539 per month, although the government is trying to nudge up rents by allowing

landlords in the controlled sector to raise them by 5 per cent a year – about double the rate of inflation.

Social housing, provided both by

municipal authorities and non-

profit housing associations, is of a

high standard and its availability is not limited to those on low wages.

From time to time, calls are heard

for means testing that would

encourage the better-off to move out of their rented flat and buy, making room for others. But Dutch people who are lucky enough to find themselves in a pleasant, rent-protected flat will not be budged.

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BOOKS

Deep into the heart of Greeneland

Asked about his chances of winning the Nobel Prize, Graham Greene replied that he was looking forward to a much bigger prize: death. He thought himself "not a bad writer" but he would have liked "to be mentioned with the truly great, who all seem to belong to the 19th century."

In the years since he died in 1991, it has become clear that Greene does fit in the company of the truly great. What Dickens was for the 19th, Greene is for the 20th century: the only serious literary writer to enjoy a mass audience. Like Dickens, his genius was to take a popular fictional form - the thriller, and, in books from *Brighton Rock* and *The Power and the Glory* to *The Third Man* and *Monsignor Quixote*, to turn that form into a serious work without losing its widespread appeal. His finger was always on the popular pulse and, as we now look to Dickens to understand the Victorians, so Greene's themes speak for our century: angst and neuroses, a fascination with evil, intellectual and spiritual doubt, cruelty and persecution.

Nothing fixes Greene as a figure for our time better than his new role as star of that late 20th century blockbuster genre, the literary biography. In the last six weeks, three rival biographies of Greene have appeared, with a fourth due this month. The best of them, volume two of Norman Sherry's authorised *Life* (Cape £20), covering the years 1938-55, shows how biography has become today's equivalent of the Victorian triple-decker novel: long, leisurely, heavyweight; intimate in its discussions of its hero's most raw emotions. *David Copperfield*, *Jane Eyre*, *Jude the Obscure* are all fictional biographies or autobiographies. In a post-modern age we have become too embarrassed and cynical to invent such lives, but reading about them is deeply satisfying and publishing them lucrative. Literary biography, therefore,

which dovetails fact with fiction by showing how one fed the other, has taken the place of the Victorian fictional bestseller. And just as *David Copperfield* or *Jude the Obscure* distilled Victorian dilemmas about faith and morality, so the contemporary biography focuses on subjects, like Greene, who give voice to our own passions and problems.

The new works on Greene are vastly different. Sherry is sympathetic and full of insight. Michael Sheldon's *Graham Greene: The Man Within* (Heinemann £20) is critical and carping, while Anthony Mckerley's *Graham Greene: Three Lives* ("Novelist, Explorer, Spy") is ignorant and barely literate. The three books share, however, some uniquely

husband, depressive and dullly middle-class because he cannot chum up with her posh friends. Sherry, by contrast, describes in bitter-sweet prose a liaison reminiscent of *Brideshead Revisited*. Greene is the shy bourgeois artist who finds his identity through Catherine, struggling between desire and Catholic sacrifice and revels in the world of private jets and own passions for breakfast.

As a classic of English class fantasy, this is compelling - as when the BBC made a film on Greene last year, producer Anthony Wall said the programme was "a story about British toffs, the like of whom we'll never see again." What raises it to the level of contemporary myth is the existential torment underlying the affair

The ultimate chronicler of 20th century man's conscious is the subject of four new literary biographies.

Jackie Wulschlager reports

anglo-saxon obsessions. Class, sex, sin and the relationship between them floods over almost every page. Since Greene, born in 1904, spans our century, this offers too a panorama of changing England. Greene's experiences illuminate key phases in English history - the Blitz; the Cold War; the post-war waning of aristocratic families and their homes, with which Greene was intoxicated.

The heart of these matters, for Sherry and Sheldon, is Greene's affair with Catherine Walston, the beautiful, Catholic, promiscuous wife of an English lord. She was the model for Sarah in *The End of the Affair*, and a crucial influence on work such as *The Third Man* and *The Quiet American* in Greene's rich middle period. Sheldon recounts the affair as if in a school report, with Greene failing every test - immoral in seducing Catherine, pathetic in failing to tempt her away from her

life "on the dangerous edge of things"; the reluctance to accept love, faith, political ideologies; the desperate escapism: Sherry's Greene has the tortured inner life of his heroes, from the haunted, hunted whisky priest in *The Power and the Glory* in the 1930s to the suicide Scobie in *The Heart of the Matter* to baffled Monsignor Quixote in the 1950s.

"I had to find religion, to measure my evil against," Greene said. It is the Manichean vision, grafted onto the thriller, that gives intellectual excitement and psychological resonance to his novels. Of the great writers, he is the one for whom content and ideas are all, while form and style hardly count.

Among famous openings, compare, for example, that of *Brighton Rock*. "Hale knew, before he had been in Brighton three hours, that they meant to murder him" - with those of the two other modern classics

of adolescence, *Lolita* ("Lolita, light of my life, fire of my loins. My sin, my soul. Lo-lita: the tip of the tongue, taking a trip of three steps down the palate to tap, at three, on the teeth.") And *Catcher in the Rye*: ("If you really want to hear about it, the first thing you'll probably want to know is where I was born, and what my lousy childhood was like... and all that David Copperfield kind of crap.")

Unlike Nabokov and Salinger, Greene is not a consciously literary writer and his cold, flat drawing of Pinkie and Ida therefore translates easily.

"A polyplot could read Mr Greene," wrote Evelyn Waugh, "lay him aside, retain a sharp memory of all he said and yet... entirely forget what tongue he was using."

Greene believed the "splinter of ice" in his heart gave him the necessary novelist's detachment. But reading Sherry's biography, it seems as if the reverse may have been true - that Greene wrote to strip away his own coldness, to make-believe feelings he could never wholly embrace. His glacial quality, both in life - Sheldon exults in his unsympathetic responses during the Blitz, and in his frosty relationships - and in fiction, puts some readers off. Yet it is a feature, along with the almost deliberate absence of style, which makes his novels quintessentially of our post-modern, anything-goes, no-commitment times.

I suspect that Sheldon has raised himself to a pitch of antagonism because in Greene we all see images of ourselves and our times which we do not care for, and that Sherry, who has devoted 20 years to retracing Greene's steps, has identified with Greene in an equally intense, but by contrast a positive, way. As a minute by minute explanation of William Golding's tribute, that Greene "will be read and remembered as the ultimate chronicler of 20th century man's consciousness and anxiety," Sherry's book is unputdownable.



Graham Greene: as Dickens was for the 19th century, Greene is the only serious literary writer to enjoy a mass audience in the 20th

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BOOKS

I have it on good authority that when, some time ago, Sir Kingsley Amis was approached for his support for the "Swans - City of Literature" campaign, the distinguished man of letters replied, "— off!" This may seem an understandable reaction from someone who once spent 12 years as a junior lecturer in that town, although in his *Memories* he wrote sentimentally of the place.

It is a reminder that Amis has a thing about South Wales and the Welsh — nothing so strong as love-hate, more an appalled fascination, an exasperated affection. Certainly the principality (a word he must surely detest) has served him well in his fiction, never better than in the Booker-winning *The Old Devils* which, with its TV version, brought him less than a welcome west of the Valleys.

An appalled fascination with the Welsh

J.D.F. Jones finds Kingsley Amis on top form in his new novel

South Wales provides only one of the minor locations in his new novel, *You Can't Do Both*, but his main characters are all Welsh at one remove and are always conscious of it — the "hero" Robin, the girl friend Nancy, and their four parents.

The blurb cannot resist telling us that *You Can't Do Both* will be seen by some (not this reader) as "a precursor to *Lucky Jim*", presumably on the grounds that Robin Davies, whom we follow from teens to parenthood, is of the same generation and the same profession as Jim Dixon. Come to think of it, just like

Sir Kingsley! — which must be why the blurb also clumping declares that this novel is "strongly autobiographical".

Can that be true, and does it matter? Robin Davies is brought up in South London, enjoys his grammar school, visits family in Wales, goes up to Oxford, serves unheroically in the war, becomes a red-brick don, makes his Nancy pregnant, snatches her back from an abortionist, marries her, and continues with his selfish ways until...

Let's allow that Amis may be drawing more heavily than is usual on his recollections of adolescence

and young manhood: there are plenty of references which sound echoes from the *Memories* (which was not an autobiography but a series of sketches), and the early

YOU CAN'T DO BOTH
by Kingsley Amis
Hutchinson £15.99, 306 pages

chapters are no doubt based on his childhood in Norbury, never mind the later scenes of Oxford colleges, Cardiff abortuists and registry office weddings.

What matters is that Amis is on

masterly form, with proof on every page that he can write the most brilliantly accurate dialogue in the trade. And of course, he can be very funny indeed, though it is often the humour of embarrassment. There are too magnificently awful fathers.

Robin Davies is another version of the favourite character — the plausible, intelligent, sex-obsessed, self-aware young man — whom Amis would (and does) call a shit (yes, in the tradition of Jim Dixon, and he makes funny faces too). He knows that "he was almost an ideal non-husband for Nancy, being self-

ish, self-indulgent, lazy, arrogant and above all inextinguishably promiscuous by nature"; about marriage he feels "anxiety relieved with horror" yet he is caught in an insoluble dilemma and is married the sweet and not-quite-convincing Nancy. I quote:

"A few minutes later, Nancy said, 'I've remembered something else my Dad said about you. No, it was my Mum. No, it was my Dad. I know it doesn't matter which is really. Or at all. Anyway, he said you were the kind of man who thinks only of his own pleasure'.

"This Robin heard with definite

indignation. He said, "I'd like to know how he makes that out. I must say. If that's all I was interested in, what the hell does he think I'm doing getting married to you? Jesus Christ." Here is the genuine Amis: colloquial, fast, witty, acid, and conveying character.

But there is a more serious burden to this morality tale, growing out of the comic routines which Amis uses to reveal the curiously loving relationship between father and son.

Robin's father turns out to be the shadow-side of the Welsh preachers he has left behind, just as it is Nancy's father who spots that Robin is "the kind of Welshman who gets Welsh people a bad name. Very charming on the surface and treacherous underneath."

Extraordinary life of the last great courtesan

No stones are left unturned here: and what stones! says Jurek Martin

It is necessary to start with a confession, at which book reviewers are often negligent. About two years ago I once had a date with Pamela Harriman. It was not that sort of assignation. Our first meeting was merely the result of a typical Washington dinner circumstance — i.e. my wife was still in London, my hosts needed an extra man to complement her presence and that was that. The discussion was mostly politics and Mrs Harriman made a forceful, articulate case for the merits of one Bill Clinton (she liked Al Gore, too). I had heard she would be charming company and she certainly was, to the extent that I recall floating home in the daze of her smile.

A year or so later it came as no surprise when Clinton, now president, nominated her to be ambassador to France. After all, she had been, as much as anyone, responsible for the financial revitalisation of a demoralised Democratic Party in the 1980s and had then been the Clintons' entrée to the raffled reaches of Washington power, social and political.

In any case, embassies, big and small, are often offered to political supporters regardless of nominal qualifications. Over in London, the just departed Ray Seitz was the first career diplomat ever to represent the US at the Court of St James. She was confirmed by the Senate without demur and, by all accounts, is now doing a first class professional job in Paris.

But her road from a stately home in Minterne Magna in Dorset, the daughter of an unremarkable, reserved conservative peer, to sole possession in her own right of the grand residence on the Faubourg St Honore is surely one of the most remarkable ever travelled by a single human of



Pamela Harriman in 1993

either sex this century. Christopher Ogden's book, even if written with less verve and style than its subject has always possessed, has the wonderful virtue of leaving virtually no stones unturned; and what stones.

This was to have been a collaborative venture between Mrs Harriman and Mr Ogden. According to the author, she

withdrew after a publishing house had made an advance offer of such magnitude that he told her that to justify it there could be no dissembling. She balked, but he had 40 hours of frank interviews and lots of other material besides under his belt, over which she had no claim. Her lawyers tried to stop him but he persisted.

The end product may not be kind to Pamela Digby Churchill Harriman, once described by her second hus-

band as the "last great courtesan of the century." But it is very hard not to admire what she has accomplished and even, for those disinclined to make moral judgments, how she did it.

Consider, first, the men in her life. She wed three of them — Randolph Churchill, only son of Winston; Leland Hayward, the Broadway impresario; and finally Averell Harriman, 30 years after a first torrid wartime affair with the US statesman while still nominally married to the lecherous, drunken Randolph.

Then consider some of the men she bedded in a blitzed London where living for the moment, not the morrow, was often the rule of the game: Ed Murrow, the legendary US wartime broadcaster from London, who, in the end, would never leave his wife; probably Bill Paley of CBS; two flying commanders, "Peter" Portal of the RAF and Fred Anderson of the US Air Force; and "Jock" Whitley, also later to be US ambassador.

For a dozen years after the war, in postwar Paris and on Mediterranean villas and yachts there was the Aly Khan, Gianni Agnelli and Elle de Rothschild and, possibly, Stavros Niarchos. In the US, after Hayward's death, it looks as though there was, briefly, Frank Sinatra. Though opportunities presented themselves there was never John Kennedy.

She lived through and in extraordinary times. Her relationships with Harriman and Murrow made her, when barely out of her teens, a catalyst in the ever closer Anglo-American relationship before Pearl Harbour. At least this is the role that Beaverbrook and Harry Hopkins, FDR's right hand, encouraged her to play and one to which Churchill

himself had no objection, since it suited his purposes, he was fond of her and knew only too well Randolph's awful shortcomings. She was in regular attendance at the prime minister's table. When she left for Paris last year, she read from a letter sent to her by Charles de Gaulle after one such occasion.

At the other end of the scale of importance, she learned the hard way that years of skilful, attentive service to the likes of Agnelli's jet set could bring a luxurious lifestyle and baubles beyond number (and she acquired superb but expensive taste) but never emotional or financial security. She was, simply, too independent and, lack of formal education notwithstanding, too intelligent ever to be the sort of woman they would marry or desert a wife for. When Rothschild ditched her, she saw the limits of European glamour — she already had fallen out of love with her native England — and fled to the US.

There is a lot about the nasty Pamela in this book. Mr Ogden tells in excruciating detail of her neglect of young Winston (The Child), her animosity to the Hayward children (already recounted in Brooke Hayward's 1977 memoir, *Haywire*), her determination to eliminate all evidence of Marie Harriman's long marriage to Averell, her manipulation of the old statesman in his dotage. No wonder she withdrew her cooperation.

But her widow's years have been good to her bank account, to her looks and to her reputation, nothing more than the approval and affection of tough political cookies like Bob Strauss and, before his fall, Clark Clifford. She is now free to wheel, deal, think and exercise authority. Few of the great courtesans of history ever ended in such glory.

The TATLER

Vol. CXLVII No. 1125 London, June 23, 1938

Price One Shilling



Harriman when young: wife of Randolph Churchill, Leland Hayward and Averell Harriman; mistress of many; and now US ambassador to France

The cultural spoils of war

Art and war usually lie at the opposite ends of human experience, although they meet sometimes in literature. But the fine arts presuppose peace: the opportunity for the creation of painting and sculpture, and the repose needed for their enjoyment, are fruits of tranquillity.

What, then, when art and war enter a different relationship, when destructive, all-embracing modern war threatens to incinerate art galleries, demolish cathedrals and museums, reduce stadia to rubble, annihilate in seconds the rich distillations of culture which have formed over centuries? It is a 20th-century phenomenon that when great powers set upon each other, everything is at risk, our lives and material treasures most of all.

One of the least known facets of the second world war is the fate suffered by European art. In a book of brilliance Lynne Nicholas relates the period's history from the novel perspective of what happened to Europe's material culture under the Nazis. She tells the tale with absorbing narrative skill, making an extraordinary achievement of scholarship read like a thriller.

Hitler and Goering were fanatical art collectors. Whereas the latter was more catholic in his tastes, the former did not have tastes; he just knew what he liked and disliked. He liked 19th-century German paintings, and he disliked "degenerate" art, which meant Impressionism, Expressionism, Cubism — and anything that looked distorted or "unfinished".

Another difference between Hitler and Goering was that whereas the latter collected for himself, crowding his vast and vulgar palace, Carinhall, with every sort of art, Hitler had imperial ambitions. He wished to turn his Austrian hometown Linz into one of four great cultural centres of the Reich, and the best art plundered from Jews and conquered neighbouring countries was destined to hang there in magnificence for the elite. By the end of the war the Linz gallery had accumulated 8,000 pictures, nearly twice the holdings built up over a much longer period at Amsterdam's Rijksmuseum.

But the Linz plan was merely one corner of a vast displacement of art around Europe during Hitler's 12 years, caused by many factors. The Nazis sold "degenerate" art abroad to earn foreign currency. They looted art from Jews and from occupied territories. The experience of the Prado collection during Spain's Civil War persuaded curators everywhere in Europe, including Britain, to make plans for safeguarding works of art against air attack; and as soon as hostilities impended, tens of thousands of paintings, statues, objets d'art, rare books and manuscripts were transported into the cellars of castles beyond the Loire, quarries in Wales, and storerooms of monasteries in remote corners of the Italian countryside.

With their usual thoroughness the German occupying administrations in Poland, Czechoslovakia, Holland and France — after some resistance, in this last case, from the military government in occupied Paris — appropriated vast stores of art. Guises of legitimacy were devised: any German art later than 1500 AD was "returned" to the Father-

More words on Woolf

But Anthony Curtis finds that this overview avoids overkill

These relations form a set of concentric circles: first the family ones, including female cousins like Madge Vaughan and older women like Violet Dickinson, to whom as a girl Virginia was very close. Then the men, her brother Thoby's Cambridge contemporaries who became his half-brothers: Duckworth (Gerald was to become the publisher of her first novel); then the activities of the half-brothers: Duckworth (Gerald was to become the publisher of her first novel); then the men, her brother Thoby's Cambridge contemporaries who became his half-brothers: Duckworth (Gerald was to become the publisher of her first novel); then the activities of the half-brothers: Duckworth (Gerald was to become the publisher of her first novel); then the men, her brother Thoby's Cambridge contemporaries who became his half-brothers: Duckworth (Gerald was to become the publisher of her first novel); then the activities of the half-brothers: Duckworth (Gerald was to become the publisher of her first novel); then the men, her brother Thoby's Cambridge contemporaries who became his half-brothers: Duckworth (Gerald was to become the publisher of her first novel); then the activities of the half-brothers: Duckworth (Gerald was to become the publisher of her first novel); 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ARTS

The Baron and Baroness Thyssen-Bornemisza, who frequently feature in the pages of *Hoia*, the Spanish celebrity magazine

Saving Grace: patience, passion and the baron

Annalena McAfee meets the collector and benefactor Baron Thyssen-Bornemisza

Baron Hans Heinrich Thyssen-Bornemisza is relishing the role of saviour of British heritage. "My wife and I love Britain," he says, nodding indulgently at his fifth wife, Carmen "Tita", a former Miss Spain. "We were married there - in Moreton-in-the Marsh." They liked it so much, in fact, that they took a little of it with them when they left - Constable's "The Lock" (a snap at £10,000) and Holbein's Portrait of Henry VIII (a snap at £10,000).

The baron's donation of the final £200,000 to keep Camova's Three Graces in Britain is being greeted with whoops of joy in some museum and gallery circles. But there is, as those used to dealing with the wily billionaire will have anticipated, a catch to the baron's offer.

"I would like it to come to Madrid, maybe for six months, maybe a year, to be a centrepiece of an exhibition we are holding at the Villahermosa". Only 200 yards from the Prado, the Villahermosa palace houses the £175m Thyssen collection, said to rival that of Queen Elizabeth II in range, if not quite in value.

Tim Clifford, director of National Galleries of Scotland, seems undaunted by the prospect of parting so soon with the prize he has only just secured. "Obviously, we would smile on this loan," says Mr Clifford. "We're all absolutely thrilled."

Others in the UK heritage lobby, still smarting from the baron's rejection of a £100m government inducement in 1988

to bring his collection to Britain, will be more sceptical. Baron Thyssen's passion about art - "It is universal, it is impossible to have a disagreeable conversation about it. It should be shared by everyone" - is matched by the hard-headed pragmatism that befits the retired head of an industry spanning plastics, car parts, container industries and shipping...

He clearly enjoyed giving the run-

Mrs Thatcher tried her best... I later heard that she said I was the only one who did not give in to her - though I don't think I was the only one

around in to the heads of state and royalty as they queued to woo him and his collection. "Mmm," he says reflectively. "That was a very nice period." Prince Charles came to put the case for Britain and even prime minister Margaret Thatcher got swept along in the excitement, inviting the baron to Number 10 to press Britain's suit. "Yes, she tried her best," he says. "We sat on the same sofa and she talked for ten minutes. Then she suddenly said 'I shouldn't talk so much. You should talk.' I later heard that she thought I was formidable - that I was the only one who didn't give in to her, though I don't think I was the only one."

The family wrangle has uncomfortable echoes of the fate of his father's

In the event, Spain won the prize, largely thanks to the loyalties and powers of persuasion of the baroness, the former wife of Hollywood tarzan actor Lex Barker. The collection, ranging from Old Masters of the early fourteenth and fifteenth century to Picasso, Cézanne, Mondrian, Bacon, Hopper and the German Expressionists, was to be loaned to the Spanish government for 10 years, split between Villahermosa

collection, which forms the Old Master nucleus of the 800 paintings on show in Madrid and Barcelona. This original collection was, against his father's wishes, dispersed after his death and the present baron spent years trying to buy it back - pursuing a Fra Angelico Madonna, taken by his sister Margit in 1948, for 40 years.

Collecting, he says, is like falling in love. "Only unlike women, the pictures can't talk back." He confesses to using an unorthodox method before pursuing art deals. He plays the solo card game of patience "and if I don't have to cheat too much to win, I go ahead."

The future of the collection has been recently uppermost in Baron Thyssen-Bornemisza's mind. Only two months ago, he was lying near to death in a Paris hospital after suffering a stroke while undergoing surgery. The baroness, a vivacious woman who frequently graces the pages of the Spanish celebrity magazine *Hoia*, attributes his recovery to the intercession of the Virgin of the Miraculous Medal.

Before long the baron was stirring in his hospital bed, leafing through a sale-room catalogue and authorising his wife to put in (successful) bids for a Monet and a Picasso. His intervention to save the Three Graces is a further sign of his full recovery. "And," he confides, "I didn't have to cheat at patience at all when I played for the Graces. The cards kept coming up. I kept winning..."

and Monastir de Pedralbes, a 14th century convent in Barcelona. Last year, however, the baron signed it over permanently, maintaining a key interest and a core collection which he distributes between his five homes.

Some of the baron's five children had initially resisted the hand-over of the collection. "There were a lot of conditions to get all my sons and daughters to consent. We had a pre-inheritance discussion and they exchanged pictures for money and objets d'art. If I die, there will be no discussion about it. Everything has been divided up."

The family wrangle has uncomfortable echoes of the fate of his father's

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Antony Bye

Sponsored by First Interstate Bank, in celebration of its alliance with Standard Chartered Bank.

At a mere 75 years old, the Los Angeles Philharmonic Orchestra may not have the venerable status of the Vienna Philharmonic or the Dresden Staatskapelle, but in its relatively short life it can boast a noble line of distinguished music directors, including Klempner, Van Beinum and Giulini. Moreover, what it lacks in longevity it more than makes up for in the enthusiasm and expertise with which it delivers up a broad repertoire, including an enviable healthy proportion of contemporary music. The technical prowess of the individual players, their unanimity of purpose and the vivid immediacy of their playing are second to none, and were palpably evident during the orchestra's two visits to the Proms last Tuesday and Thursday.

Much of the credit must go to Finland's musical wonder-kind, Esa-Pekka Salonen, who was appointed the orchestra's musical director in 1992. An outstanding musician, a gifted composer as well as a dynamic conductor, one can sense the guiding hands of someone who knows music from the inside.

The choice of a work tailor-made for them to begin Tuesday's concert, Lutoslawski's Fourth Symphony, was particularly appropriate - and also poignant. Lutoslawski, who

died last February, himself conducted the British première of this symphony at last year's Proms (it had been premiered in Los Angeles the February before). The beauty of its many lyrical passages is self-evident and its powerful climaxes are viscerally exciting but certain stiffness characterises its more aggressive material, and the sudden upbeat ending seems a gratuitous afterthought. Nonetheless, Lutoslawski's fusion of an uncompromisingly contemporary musical language with genuine accessibility remains one of the most consistent triumphs of post-war music. Salonen's involvement with

the nuts and bolts of composition is clearly a potent factor, too, in his attitude to the standard repertoire. His firm command of overall structure imprints his interpretations with beguiling logic as well as authority, traits simply demonstrated in a fluent, poised reading of Mozart's D-Minor Piano Concerto, K466, with Emmanuel Ax an eloquent and stylish soloist, and a tant, often ecstatic account of Hindemith's unjustly neglected though sometimes ponderous Symphony *Mathis der Maler*.

Inevitably, the greatest tests for an orchestra and conductor lie in the major symphonic repertoire. There have cer-

tainly been more expansive and searching readings of Bruckner's Third Symphony. Salonen's relaxed account, somewhat lacking in the customary Teutonic gravitas and spiritual fervour was, nonetheless, projected with blazing certainty, as was an immaculately turned Sibelius Second Symphony. In both cases there was scope for more subtlety and more expressiveness, though perhaps that may be too much to expect from an orchestra whose new home, scheduled for completion in 1997, is to be called The Walt Disney Concert Hall.

Antony Bye

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Rossini's 'Magpie' revived

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So many arrive as
strangers weary of pain
and fearful of the unknown.
They gladly stay as
friends, secure in the
embracing warmth, fortified
and cherished to the end
with the help of your
gracious gifts.
I thank you kindly
on their behalf.
Sister Superior.

British Youth Opera, whose eighth season opened at Sadler's Wells this week, is a Good Cause. In a world where young singers need all the practical experience they can get, BYO plays a vital role. With both valuable talent to nurture and a precarious budget to balance the company's stakes are high, and it can ill afford the errors of judgement that marred one of its new productions, the contrasting fortunes of *The Thieving Magpie*, a heartwarming success, and the lamentable *Yevgeny Onegin* will, one hopes, have been instructive. The former was everything it should have been, and provided Thursday's audience the chance to hear a Rossini masterpiece not staged in London for over a decade.

The *Magpie* is a difficult work and perhaps BYO's most ambitious project yet. Its semi-strophic genre, balancing humour and pathos, puts pitfalls in the way of producers, but here Jamie Hayes traces the plot - which hinges on a sinister miscarriage of justice - from light to darkness and back with a sure hand. The young cast is given strong direction; the minor characters illuminated and crowd scenes are effective, especially the march to the scaffold that fills the raked stage. The show is at once lively - the eponymous bird being taken by a dancer - and serious. Rauri Murchison's designs have colourful flair. The contrast with the previous evening's Tchaikovsky, ruined by sloppy orchestral playing from the same band and wayward singing from the same chorus, could not have been greater. Mark Shanahan's conducting was fast and unfeeling. The production by Wilfrid Judd was under-rehearsed and under-directed. The young singers desperately needed better guidance, but three in particular survived to emerge with credit: the Swedish soprano Linda Tuves was a striking Tatjana, Garry Magee a dark-voiced Onegin, and Rachel Lambert a strong Filipyevna with a well-focused mezzo. The show as a whole, however, is probably best wiped from the BYO annals.

John Allison

Further performances at Sadler's Wells on Saturday and September 14, 15; and at the Edinburgh Festival Theatre from September 7-10.

The Edinburgh Festival/ Antony Thorncroft

Profitably challenged

Brian McMaster has pulled it off. He planned a challenging programme for the 1994 Edinburgh Festival - a seven and a half hour *Orestes* in Russian; three and a half hours of *Antony and Cleopatra* in German without an interval; and more - yet contemplatively a 20 per cent increase in ticket sales and record box-office revenue of £1.8m.

The good financial result, which means a minimal loss at the worst, owes little to the foreign drama. It was the well received music and dance which saw the festival home. The bias towards Beethoven has enabled the Usher Hall to be 81 per cent full; the Queen's Hall, 84 per cent full. The American ballet companies were a roaring success, at least critically, and Mark Morris is already committed to bringing his dancers back in 1995.

In contrast the *Orestes* sold 2,000 out of 3,700 seats, but McMaster was delighted. "We should programme difficult things, special festival events. If we are doing our job well, drama will always be controversial. I will be intellectually rigorous again next year. Only if we had failed would I have been forced to think about more popular works."

For a festival with 150 performances, there were remarkably few crises. The NDR Symphony Orchestra of Hamburg cancelled one performance and Franz Welser Möst and two sopranos belatedly ducked out of Schumann's rarely-played

Faust, which caused a few artistic and financial headaches as substitutes were rallied. But McMaster can creditably claim: "We had the most wonderful three weeks."

The major disappointments were a new work by Robert Lepage *The Seven Streams of the River Ora* and the static *Torquato Tasso*, but the rest of the programme found at least some fanatical supporters. McMaster is happiest at the

**Well received
music and dance
saw the festival
home financially**

way the Festival has nourished artists, most obviously Peter Stein and Mark Morris but also the pianist Richard Goode, who sold 30 per cent of the Queen's Hall Two years ago; 50 per cent last year, and has queues around the block this time for his Beethoven programmes.

Next year will bring a major opera company to the Festival Theatre and probably another visit from Peter Stein. Much still needs to be planned, but with funding apparently secure, McMaster can concentrate on his next ambition - finding a proper HQ for the Festival.

On the Fringe it was not quite so simple. Here drama was strong and one production, Tom Courtney's one-man show *Moscow Stations* is being

Stand-ups lose out

The Edinburgh Fringe has sent an unequivocal signal to the funnymen of the nation

- the day of the stand-up comedian is over, writes Antony Thorncroft. No more will audiences accept that rambling monologues about the contents of a bathroom cabinet are necessarily hilarious. Resistance is mounting to comedians who intrusively question the sexual habits of people whose only crime is that they have paid to see a show.

Of course attractive personalities, competent entertainers and imaginative jokers will survive. But the era of unsuccessful actors who embraced stand-up because it enabled them to show off in public has passed.

The death knell came from the Perrier Award for the best comedy act on the Fringe. Five stand-ups, including the surrealistically original Harry Hill, were knocked down and the money went to a pair of Australians whose comic roots stretched down to music-hall and beyond.

Lano and Woodley have a little of Morecambe and Wise in their cosy domesticity; more of Dean Martin and Jerry Lewis in John Cane's aggressive good-looking dominance and Frank Wood's scrawny innocent passiveness; and whole lashings of the silent movies.

But Lano and Woodley won the Perrier because they were not stand-ups. Scott Capurro was voted Most Promising Newcomer because there were just so many gay American comedians on the Fringe this year. Capurro describes himself precisely as a cross between Karen Carpenter and Barry Manilow. He begins perched on a stool, all camp confidence - "Let's get the big question out of the way - are you Barbara or Judy?" - but soon wallows in homosexual angst and gay initiation rites. To a nation that has taken Julian Clary to its fireside bosom the only reaction to this sort stuff is "so what?"

Another American, Will Durst, is a graduate of the "ain't it odd" school of comedy, University of California Campus. His material is unashamedly American, which means, as a good left wing stand-up, he has problems knocking Bill Clinton. Still with a catchphrase "Only in America", he is scarcely bereft of targets.

Of Ross Portor: "Elect a homosexual for president instead of a politician and cut out the middle man." Of politicians generally: "Voting is like swimming towards the least hungry shark." It is depressing stuff; there are no heroes here. His life view, and act, is summed up in his pay-off: "Carter, Nixon and Kennedy are in a sinking ship. Women and children first," said Carter. "Screw them," says Nixon. "I thought we already had," said Kennedy. "The last one to leave can turn out the light."

It is a relief to turn to English eccentrics Richard Herring is *Fat*, which is the name of the show, but Herring is also funny. His scene is food - his "chocolate rösti d'été" - and his imagination runs amok as he justifies putting on

fought over by the Riverside Studios, the West End and New York - but stand-up comedy is losing its appeal and no comic alternative has yet emerged. Some venues, especially the smattered-up Pleasance reported ticket sales up by over 20 per cent while the biggest Fringe venue, The Assembly Rooms, was 5 per cent down. Director Bill Burnett-Coutts blamed the rail strike. Overall the Fringe office sold around £1m worth of tickets, about the same as last year. New director, Hilary Strong, had a quiet initiation with no scandals. She plans to grade venues in terms of facilities and to try to open more ticket offices around town to make customer access to the 1,300-odd fringe productions easier next year.

There is an Edinburgh stand-off between McMaster and the city's other cultural heavyweight, Timothy Clifford, director of the National Gallery of Scotland. McMaster wants total control of the Festival and refuses to accept Clifford's ambitiously-planned art exhibitions in the official programme.

Clifford is carrying on regardless - next year's big one will be devoted to Scottish art. But as the Festival ends today, Clifford is the happiest man in Edinburgh. He could confirm that Baron Thyssen was giving the £200,000 needed to keep the Three Graces in the UK. They will make their Edinburgh debut in the National Gallery next August.

their annual update on the Royal Family, "Postcards from the Edge" remains the definitive history of the Windsors.

The new songs are strong. The Jackson-Presley union is celebrated in "a marriage made in Neverland - where little boys disappear without trace" and Kit gets to camp his socks off as Marlene Dietrich unable to get her tongue round "Raspberry Ripple Rouser". With their own tongues firmly up their own innuendos, Kit and the Widow get away with more bawdy than a busload of stand-ups.

With almost 200 comedy shows straining for a laugh on the Fringe some smiles are inevitable. Among the new faces who scored was Julian Dutton, with an act that has been bashed for more than a politically correct decade - impersonations of famous actors. But his Albert Finney is auditioning for Thunderbirds: His John Le Mesurier for the role of the Godfather; and Robert de Niro for Noddy. Well, he got through to me.



Christie's Inaugural Auction in Israel

Marc Chagall (1887-1985), *Young Bride Among Roses*, gouache and pastel over pencil on paper, 24 x 20 in. (61 x 51 cm). Estimate: \$250,000-\$350,000.

19th and 20th Century Paintings, Drawings and Sculpture

Auction: 25 September at 7.30 pm, Dan Hotel, Tel Aviv

TELEVISION

BBC1

7.25 News. 7.30 Felt the Cat. 7.45 Joe 90. 8.10 The Adventures of Slippy. 8.35 SWAT. 9.00 8.10 Paul's 10.22 Weather.

10.25 Grandstand. Introduced by Steve Rider, including 10.30 Cricket: Warwickshire v Warwickshire, Nat-West Trophy Final. 12.45 Football Focus. Preview of England v. US. 1.00 News. 1.05 Football. 1.25 Cricket. 1.55 Racing from Haydock Park. The 2.00 Stanley Leisure Group Handicap. 2.05 Cricket. 2.25 Racing: The 2.30 Cestri Final. 3.25 Racing: The 2.35 Cricket. 3.25 Racing: The 3.30 Haydock Park Sprint Cup. 3.35 Athletics: The Grand Prix Final from Paris. 4.45 Final Score. Times may vary.

5.15 News.

5.25 Regional News and Sport.

5.30 Carlton.

5.45 Film: Flight of the Navigator. A 12-year-old boy is knocked unconscious and awakes to discover that although eight years have passed, he is not, in fact, a day older. When he realises that he was taken on a time-travelling voyage in an alien spacecraft identified as found on Earth, the authorities keep him imprisoned pending further research – prompting a desperate escape bid. Children's SF adventure, starring Garry Grimes, Veronica Cartwright, and Cliff Young (1981).

7.10 Bruce Forsyth's Greatest Game with the Navy. Bruce Forsyth and Rosemary Ford join the Navy on board HMS Victory in Portsmouth Harbour to look back at highlights of his year's service.

8.10 Challenge Australia. New series. Anika Rice returns, kicking off with an against-the-clock dash to build an indoor riding school at Wartwood Scrubs.

9.00 News and Sport: Weather.

9.20 Film: Terminator II: Judgment Day. Previews. Arnold Schwarzenegger returns to the android built to kill, but this time is determined to protect the future saviour of the human race from a rival, shape-shifting android which proves tediously difficult to destroy. Entertaining, expensive blockbuster with plenty of nice touches and impressive special effects but rather too many chases. Starring Linda Hamilton, Edward Furlong and Robert Patrick, directed by James Cameron (1991).

11.20 Cher Extravaganza: Live in Las Vegas.

12.15 Cricket: NatWest Trophy.

1.15 Weather.

1.20 Close.

BBC2

6.00 Open University. 12.15 pm I Know Where I'm Going.

12.45 Film: I Know Where I'm Going. Light-hearted romance, starring Wendy Hiller as a girl whose plans to marry for money are thrown into disarray when she meets dashing naval officer Roger Livesey (1947).

2.15 Timewatch. Report on the Battle of Kursk, 50 years ago between the Russian and German armies, was the biggest tank engagement of the second world war, yet it is little known in the west.

3.05 The Sky at Night. The importance of radio astronomy in Australia.

3.30 Cricket: NatWest Trophy. Warwickshire v. Worcester. Preview of the coverage through to the close of the 60-overs-per-side final from Lord's, as Graeme Hick and his Worcestershire team bid for revenge on Dermot Reeve's Warwickshire side after their defeat in the Benson and Hedges Cup Final.

7.50 News and Sport: Weather.

8.05 Carlos Saura's *Sevillanas*. The director of the cinema dance trilogy *Blood Wedding*, *Carmen* and *Love Spells* presents a tribute to the flamboyance of Spanish flamenco, featuring performances by Rocío Jurado, the Costa de Ludea, Manolo Sanlúcar, Lola Flores and Manuela Carrasco.

8.00 Screen Two: East of Ipswich. Michael Palin's nostalgic semi-autobiographical comedy about a chaotic family holiday at a Suffolk seaside resort, focusing on a 17-year-old boy determined to escape his parents' watchful eye and enjoy himself – not mind what the cost. Starring Michael Palin, John Nettleton, Phyllida Law, Petula Clark and Graham Crowden.

10.15 Midnight Cowboy: Introduction. By the film's director, John Schlesinger.

10.20 Film: *Midnight Cowboy*. John Schlesinger's Oscar-winning drama follows the travels of a New York Jew (Dustin Hoffman) and a Texas country boy (Jon Voight) with ambitions to be a well-paid stud. Brenda Vaccaro and Sylvie Miles also star (1969).

12.10 Nilsson in Concert. Performance by the late singer-songwriter Harry Nilsson.

12.50 Close.

LWT

6.00 GMTV. 9.25 What's Up Doc? 11.30 The ITV Chat Show. 12.30 pm The Little Hobo.

1.00 ITN News: Weather.

1.10 London Today: Weather.

1.10 Movies, Games and Videos.

1.40 WCW Worldwide Wrestling.

2.25 Life Goes On. Corky develops a crush on a new girl in his health class and Libby's mother decides to leave her husband.

3.20 Burke's Law. Arnie investigates when the Grand Duke Kadenan is murdered at a dinner party.

4.20 Cartoon Time.

4.45 ITN News and Results; Weather.

5.05 London Today and Sport; Weather.

5.15 Glastonbury. New series.

6.05 Film: *Gladiator*. The Return. As the TV warms up for a new series beginning next week, John Sachs looks back at the best battles from last year, goes behind the scenes to see the *Gladiators* at work and play, and previews the coming season. A new series starts on Friday.

7.05 Film: *The Kid*. Ralf Machado reprises his role as the teenage martial arts expert. When his old mentor (Pat Morita) refuses to coach him for a championship, he turns to a new trainer – a ruthless Vietnamese woman who turns out to be in league with an old foe. Action adventure, with Thomas Ian Griffith, Martin Kove and Robyn Elaine Livley (1989).

8.05 ITN News: Weather.

9.05 London Weather.

9.10 Film: *Die Hard II*. Bruce Willis grabs a 10-day holiday in Switzerland on BBC1 in the battle of the blockbuster sequels. Willis is a tough cop who, arriving at the airport to pick up his wife, finds himself plunged into a bloody struggle against a terrorist gang who have a car bomb drug baron is released. Total revamping of restrictive formula (1990).

11.20 Film: *Jane and the Lost City*. Adventure based on the charming British cartoon heroine who was a big hit during the second world war. Starring Greta Hughes, Maud Adams, Jasper Carroll and Sam Jaffe (1987).

1.00 Glastonbury; ITN News Headlines.

1.05 Mad Dogs.

1.40 Tour of Duty.

2.35 The Big E.

3.25 Get Stuffed; ITN News Headlines.

3.30 New Music.

3.35 Packet of Three.

4.35 BPM: Night Shift.

CHANNEL 4

9.00 9-10 on More. 9.35 Early Morning. 10.00 The Absolute Beginner's Guide to America. Foodie. 11.00 Games, Games. 12.00 High 5. 12.30 pm Kisses on the Train/English subtitles.

1.05 Film: *Lullaby of Broadway*. Musical, starring Doris Day as a successful performer who returns from England to New York to find her mother's singing career has fallen on hard times. With Gene Nelson, Garry George and Sally de Wolfe.

2.50 Racing from Kempton Park. John Francoise introduces the 3.10 Geoffrey Hamlyn Handicap Stakes. 3.40 Bonhurping September Stakes. 4.10 Bonhurping Sirenia Stakes, and the 4.40 Spelthorne Handicap Stakes.

5.00 Brookside: News Summary.

6.30 Open University. Second of two evenings of American journalist Nancy McGinn's series on the privileged Guatemalan children, featuring an exhibition of their work at the London Photographers' Gallery.

7.00 The People's Parliament. Public forum debate on whether people working in essential services should be allowed to strike.

8.00 Film: *Desert Fox*. Rommel returns from his unsuccessful north African campaign and becomes involved in a plot to assassinate Hitler. Wartime drama, starring James Mason, Jean-Louis Trintignant, Eric Portman and Ugo Colautti. Part one of the *None But the Devil* series (1951).

9.40 Blue Heaven. Frank thinks his dreams of hitting the big time are coming true when he and the band are invited to support at David Bowie's latest concert. Last in series.

10.10 Farney and Almond. In the second of a series of legal Bowman's pithy, semi-autobiographical drama, the Edland family is thrown into confusion when Oscar suffers a fatal heart attack. Starring Allan Edwall, Penelope Alwin and Bertil Gove. (English subtitles).

11.40 The House of Parliament: Late. Gillian Riddick. Riddick presents as viewers learn opinions on the subject of tonight's programme – essential services' right to strike.

12.05 Late Licence. With singer-songwriter Billy Bragg and comedian Phil Jupitus. 12.15 Just for Laughs.

12.20 The Big E.

1.00 Get Stuffed.

1.50 Pudding.

2.50 Beans and Butt-Head.

3.15 Packet of Three.

4.00 Close.

REGIONS

ITV REGIONS AS LONDON EXCEPT AT THE FOLLOWING TIMES:

ANGLIA:

News. 1.10 Nigel Mansell's IndyCar '94. 1.40 Carlton Time. 1.45 Lt Robin Crusoe USN. 1986. 2.00 Games and Videos. 2.30 Games and Videos. 3.15 Coronation Street. 4.15 Games. 5.15 Gladiator. The Return. 7.15 Police Academy II: Their First Assignment. (1983) 8.00 Local Weather. 11.20 Royal Flash (1975).

CENTRAL:

12.30 America's Top 10. 1.05 Central News 1.10 The Musters Today. 1.40 Movies. Games and Videos. 2.10 Jersey. (1988) 3.30 WCW Worldwide Wrestling. 4.15 Games. 5.15 Gladiator. The Return. 7.15 Police Academy II: Their First Assignment. (1983) 8.00 Local Weather. 11.20 Tropical Heat (1975).

GRANADA:

12.30 Crumme-Ca. 1.05 Granada Headlines. 1.10 Weather. 1.40 Games and Videos. 2.00 Weather. 2.30 Games and Videos. 3.15 Granada Headlines. 5.15 Granada News Review. 6.15 Games. 7.00 The Return. 7.15 Police Academy II: Their First Assignment. (1983) 8.00 Granada Headlines. 11.20 Royal Flash (1975).

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12.30 Movies, Games and Videos. 1.05 Granada News 1.10 Gor Wet. 1.40 Nigel Mansell's IndyCar '94. 2.10 British Dollar. 3.00 Carlton News. 3.45 Games. 4.15 Gladiator. The Return. 7.15 Police Academy II: Their First Assignment. (1983) 8.00 Royal Flash (1975).

IRELAND:

11.30 COPs. 1.00 The ITV Chat Show. 1.45 Mendan News. 1.10 Best of British Motor Sport. 1.45 Weather. 2.00 Games and Videos. 2.30 Carlton News. 3.15 Coronation Street. 4.15 Mendan News. 5.15 Cartoon Time. 6.15 Gladiator. The Return. 7.15 Police Academy II: Their First Assignment. (1983) 8.00 Royal Flash (1975).

SCOTLAND:

12.30 East. 1.00 Scotland Today. 1.10 Football. 1.45 Telefónica. 2.00 100 Million Years Ago. 3.10 Brian's Song. (1974) 4.30 Carlton News. 5.15 Coronation Street. 6.15 Gladiator. The Return. 7.15 Police Academy II: Their First Assignment. (1983) 8.00 Royal Flash (1975).

TYNE TEEB:

12.30 Movies, Games and Videos. 1.05 Tyne Ties. News. 1.10 The Fall Guy. 2.05 British Solar Thrill. 2.30 Games. 3.15 Gladiator. The Return. 7.15 Police Academy II: Their First Assignment. (1983) 11.20 The Host. (1971).

SUNDAY

1.00 Film: *The Man in the White Suit*. Alec Guinness stars as a chemist whose invention of a dirt-proof and indestructible fibreglass film turns him into conflict with clothing moguls. Classic English comedy, with John Greenwood, Cecil Parker and Michael Gough (1951).

2.15 Of Dice and Men. Canadian animation.

2.30 International Athletics. Britain's top athletes line up against some of the world's leading competitors in today's meeting from the Don Valley Stadium in Sheffield.

6.00 London Today: Weather.

6.20 ITN News: Weather.

6.30 Dr Quinn: Medicine Woman. Mike clashes with a travelling healer over the best way to treat Kid Cole's TB, while Grace and Robert try to prepare to marry. Johnny Cash guest stars.

7.30 Heartbeat. New series. Nick investigates a moorland mystery and Kate joins a practice in nearby Whitley. Greengrass settles her debts in novel fashion. Rural police drama, starring Nick Berry, Niamh Cusack, Derek Fowlds and Bill Maynard.

8.30 BBC Proms '94: The First Hundred Years. The Boumoussou Symphony Orchestra performs a programme of national works. Camille Saint-Saëns' *Samson et Dalila* and Georges Bizet's *Carmen* are the highlights.

9.00 You've Been Framed! New series. A juvenile offenders' institute goes up in flames.

10.05 ITN News: Weather.

10.15 London Weather.

10.20 The London Documentary. Camera follows three untrained young women, two of them teenagers, as they learn the intricacies of the TT Superbikes category. Commentary by Barry Nutley and Steve Perkin. 1.40 Cricket: 2.35 Cricket. 3.30 English League: 4.15 Cricket. 4.45 Motoring. 5.15 Cricket. Times may vary.

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On the day that the Irish Republican Army announced a complete cessation of its "military activities" — terrorism to you and me — another announcement gained rather less attention from the British media. It nonetheless also had consequences for British troops.

In case you missed it in all the euphoria over the IRA's tactical withdrawal, here are the facts: on Wednesday the Foreign Office revealed that it had offered the services of two ships and a military training team to assist in a possible US invasion of Haiti.

I'm sorry, I'd read that again: to assist in a possible United Nations invasion of Haiti.

The Foreign Office has offered

The pressure of gunboat diplomacy

Britain has offered the US two warships to help invade Haiti. Dominic Lawson asks what the fee is

HMS *Broadsword* which last saw action in the Falklands War, and the Royal Fleet Auxiliary *Oakleaf*. *Broadsword* is, apparently, unsuited to naval gunfire support of an amphibious landing as it has no gun. However, a spokesman from the Ministry of Defence said (according to The Independent): "If the Americans requested it, she might be replaced by a ship with a gun."

I should think the Americans jolly well will "request it". Guns are useful in such circumstances.

You never know when you might need them.

But what is going on here? What are we British doing offering materials and men to facilitate a dubiously motivated invasion of a godforsaken Caribbean island of no conceivable strategic interest to us?

The trite answer is that our man at the UN put up his hand when the Security Council passed Resolution 940 which authorises member nations to "use all necessary means to facilitate the departure from Iraq of the military leadership and to maintain and establish a secure and stable environment".

This is the usual post cold war charade, of course, in which the US

uses a tame UN to give international legitimacy to the pursuit of its own very particular foreign policy objectives. We saw the same thing in Somalia, and — though here the international interest was genuinely widespread — Kuwait.

But it is not enough for the Americans to have Britain's signature to the policy they wish to carry out. They also want us to make the pretence of an "international task force" even more believable by the actual involvement of non-American troops. And for some reason the State Department considers Britain the most useful

stooge in such endeavours.

This is not primarily because British troops are the best in the world, but because — as one former State Department official told me — "you guys have a pretty good record". In other words, direct military involvement by Japan or Germany, even were it feasible, would raise associations best forgotten.

In Somalia, Britain did the absolute minimum, supplying one addled old Hercules transporter. The Americans were not at all pleased about that, but when one recalls what happened to the Pakistani troop contingent — 48 of them

butchered by General Aideed's men — one can only be grateful.

In the case of Haiti, the British response is slightly more accommodating. What is the reason? The same as always: the Foreign Office wants something in return from America. Perhaps an absence of criticism by President Clinton for the Major government's less than effusive reaction to the IRA's cease-

The precise details are, irrelevant. All we British can hope is that the trade-off is more in our favour than in the Americans'.

This is simply the stuff of diplo-

macy, low and embarrassing as it undoubtedly is. Why, for example, did that arch third world group, Harold Wilson, give vocal support to President Lyndon Johnson's military escapade in Vietnam? It was the *quid pro quo* for American support for the ailing pound. A *quo pro* in other words.

I quote from Ben Pimlott's masterly biography of Wilson: "In December 1965... the Foreign Secretary reported that recent British requests for American financial help had been met by a dry remainder from the White House that the British had not been very helpful over Cuba, and by an inquiry about when the first British battalion would be arriving in Vietnam."

Well, at least we wriggled out of that one.

■ Dominic Lawson is Editor of the Spectator.

Interview/Peter Aspden

The wheel turns full circle for Dr Steiner

Oxford is about to welcome back a thinker it rejected 40 years ago

George Steiner sips from a glass of white wine in the corner of a Cambridgeshire pub and confesses that the latest twist in his academic life reads like the climax of a "bad novel".

Forty-two years ago, a precocious graduate from Chicago and Harvard, he submitted his doctorate to the English faculty at Oxford, and it was turned down. That doyen of the academic literary world, Dame Helen Gardner, told him his work was a worthwhile study in comparative literature, but as that subject did not exist at Oxford, the examiners were not able to oblige.

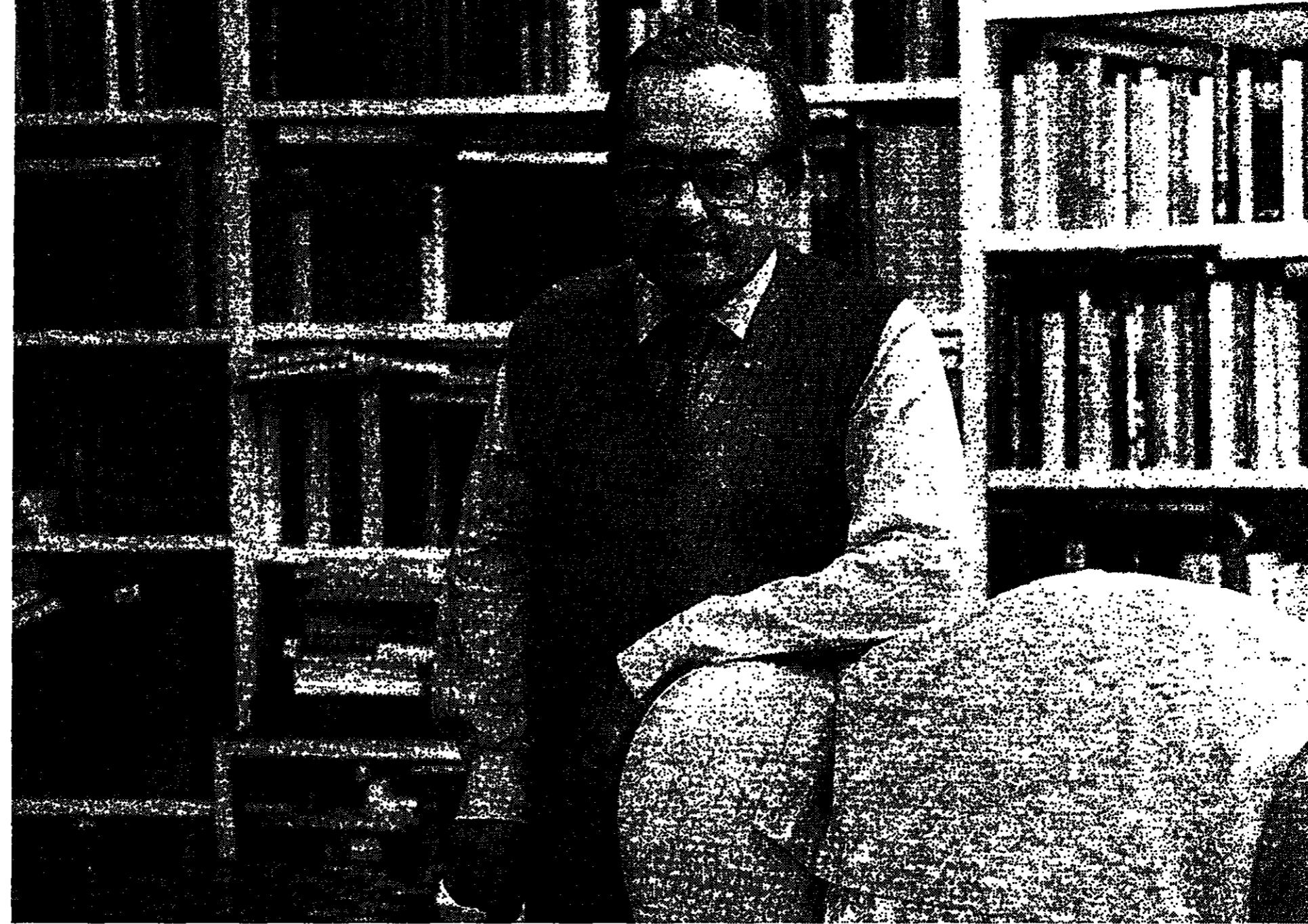
"One day," she added, "it may well arrive here but right now it is not in the rubric."

Next month, Steiner, first visiting professor of European Comparative Literature at Oxford, gives his inaugural lecture in the subject which prompted such a cursory dismissal all those years ago. The ironies of his appointment will doubtless be given an airing in the university's imposing Examination Schools building, but his tone will be affectionate: "Dame Helen was right; she was always right. It just took 42 years, which, by Oxford standards, is not too bad."

In the weeks leading up to the lecture, Steiner is feeling remarkably relaxed about the world. His magnanimous mood enables him to skip over incidents which have become some of the most enduring tales in that curious, twilight world of academic mythology. When the Oxford snub was not his last unhappy encounter with Oxford standards, is not too bad."

Even when conversation turns light, however, it rarely becomes trivial; describing the simple, quotidian joys of waking up in the morning, Steiner typically manages to quote Hegel: "A Jew is a man who, given the choice between eternal salvation and tomorrow's newspaper, will choose the newspaper." He is insistent that any rancour he has carried inside him has been finally dispersed: "There were mistakes on both sides; I was not easy to be with. Bitterness would be folly."

Many take the Steiner story to be the classic case study of the collision between English intellectual values — oblique.



clenched, bracingly empirical and fiercely pragmatic — and those of "Continental" Europe — bold, speculative, swathed in abstraction and rhetoric. It is not a new story, by any means; but when Steiner moves in his unmistakable lilting tones from Mallarmé to Heidegger, Rilke to Benjamin, Hegel to Derrida, one can hear the mocking chorus at his shoulder: "pretentious", "charlatan", "most damning, and English", of all: "too clever by half".

Steiner is not unaware of the charges, but these days shrugs them aside. In fact, his relationship with English intellectual life is complex: he has, after all, spent a large part of his life in English university towns and has some sneaking sympathies. He decries the pragmatism which, in his view, inhibits great works of creative genius ("that cry of 'come-off-it', which would have prevented Beethoven's 9th symphony or Michelangelo's Sistine Chapel"), but recognises that "a

Europe in which the spectre of Germany looms immense needs a British presence more urgently than ever, for its irony, its tolerance, its genuine respect for the law".

He will not turn a blind eye to Britain's indigenous flaws, however. When asked if he had ever been asked to give the Reith lectures, he replies that an informal approach had failed to bear fruit when it was learned "at the highest level" that his proposed subject was "the tedium of England". He has no regrets: "I am quite unrepentant on that. If there is too little nerve, too little pride to accept discussion of such a subject, then we are in trouble."

Another important reason for the wariness and occasional outright hostility shown towards Steiner is the very substance of his work, as well as its refusal to pay homage to traditional academic categories. His most urgent anxiety is that the humanities, the beautiful world of high art and culture created and enjoyed by Europeans over the last 500

years, have not only failed to humanise but have contributed to the legacy of the holocaust. The striking examples he first presented in his *Language and Silence* have today become clichés: the concentration camp guard who tortured in the morning and was moved by Schubert in the evening, the cry of King Lear which carries greater resonance than the cry in the street.

He asks if the price of all that culture, all that beauty, has been worth paying. Although he prefacing his tentative conclusions with the hope that he may be wrong, his tone is one of unmistakable pessimism. Asked in a BBC *Face to Face* interview how he thought he would be remembered, he replied, "with deliberate self-cruelty", that he would be seen as a rear-guard: "someone who could still remember the inventory of that great culture, roughly from the Renaissance to Auschwitz, but who never understood his own time at all because he was hanging on to

something which was in many ways a world of ash, a dead world."

Certainly he finds little solace in the democratisation and globalisation of culture, a chief characteristic of the post-war world. He finds it depressing that the lowest common denominator of cultural taste "prefers football and bingo to

Aeschylus", and sees rock music as "a seismic break in the history of consciousness, a triumph of death".

In truth, he has shown little signs of coming to terms with mass culture in his work, though this may be a relief: there are probably enough cultural commentators making a living from *EastEnders*, *Ryan*

Giggs and Nirvana. But there remains the scholar's sense of curiosity. As we drive out of college, Steiner slows down to read the slogan on a T-shirt of a man painting yellow lines on the forecourt. It reads: "I have entered the vortex of love." He drives away with a bemused smile, trying, no doubt, to make sense.

Rushing towards my last word

Michael Thompson-Noel

This will be the last of these columns for a while. I am being catapulted forward in time, to join the Monday FT, so Hawks & Handsaws is going into storage, together with its best-loved character, Miss Lee, my executive assistant.

I broke the news to her on Thursday, in a restaurant near Chelsea barracks, a place so fashionable that the bill for two people is always £130, whatever they eat or drink.

During the past four years Miss Lee has established a place of great affection in readers' hearts. Last Christmas she received more cards than I did. She has been invited to numerous functions, and to address school prize-days.

Miss Lee's popularity has been based on the fact that she appeals equally to men and women. Women like her because she is a Thatcherite Yorkshirewoman of immense poise and style who speaks her

mind plainly, wears stupendously expensive clothes and exhibits minimal tolerance of male fears and foibles. Strange to relate, men seem to like her for exactly the same reasons.

But now she is headed for storage. When I told Miss Lee in the restaurant that she and Hawks & Handsaws were going into the cold store, there was an instant sprinkling of tears and a dabbing of ivory cheeks. But that was just the waiters.

Miss Lee remained composed. "Well, Michael," she said. "I suppose there are elements of the readership that will miss your *pensées* from time to time." I said: "If that is only half true I reckon we should jump. Why is it, Miss Lee, that conservative-minded souls nurse the belief that they know what's best? The only hate-mail Hawks & Handsaws has received has been from far-right conservatives — anonymous and scurrilous, penned in

mauve ink. What produces this hatred?"

I said: "That's not much of a reason. As for John Major, whenever I see his name I think of what the American writer Wendell Berry said. From our point of view, said Berry, the difference between the mind of a human being and that of a mountain goat is wonderful. From the point of view of the infinite ignorance that surrounds us, the difference is not impressive."

Miss Lee said: "Any more pick-of-the-pennées from four years of column-writing?"

"Well," I said gamely, relishing her tartness, which is about to go into storage. "Not long ago I had lunch with another FT columnist. This was most unusual. On austere newspapers such chattering is rare. Columnists eye each other eagerly and pass by on the other side.

However, I and this person were having lunch, and I said

to see that John Major is all that stands between us and the bottomless pit."

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I said: "That's not much of a reason. As for John Major, whenever I see his name I think of what the American writer Wendell Berry said. From our point of view, said Berry, the difference between the mind of a human being and that of a mountain goat is wonderful. From the point of view of the infinite ignorance that surrounds us, the difference is not impressive."

Miss Lee said: "Any more pick-of-the-pennées from four years of column-writing?"

"Well," I said gamely, relishing her tartness, which is about to go into storage. "Not long ago I had lunch with another FT columnist. This was most unusual. On austere newspapers such chattering is rare. Columnists eye each other eagerly and pass by on the other side.

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